

The NATIONAL UNDERWRITER

"Let us have faith that right makes might; and in that faith let us to the end, dare to do our duty as we understand it."

ABRAHAM LINCOLN



IN THE WORDS of great Americans we find expressions of courage and confidence that steered our nation through other troubled times. The faith of these leaders surmounted fears and obstacles—guided Americans along the course that led to victory. ★ ★ ★ Let us today look deep into the convictions of these great men—and from their words strengthen our determination to "do our duty as we understand it," that ours—the *right* cause—shall once more triumph!



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THURSDAY, FEBRUARY 4, 1943

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★ ★ ★ ★ ★

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He is trained and experienced in the preparation of policies to meet your individual requirements; he is always available to advise and serve you in the event of loss; he represents a company of this strong, capital stock group which has paid out more than \$1,150,000,000 in claims since 1853.

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The NATIONAL UNDERWRITER

Forty-seventh Year—No. 5

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 4, 1943

\$4.50 Year, 20 Cents a Copy

Buyer Urges Greater Use of Insurance Managerial Talent

**Risk Research President
Contends Ability Sub-
merged in Bureaucracy**

HARTFORD—In a strong plea for more modern and progressive procedures on the part of fire companies in policy and rate making R. D. Guernsey of Frederick Loeser & Co., of Brooklyn, president of Risk Research Institute, speaking before the Connecticut Field Club here stressed the fact that "soundness of an insurance writer is not to be judged alone on the factor of cash reserves."

"We believe," he said, "that insurers should be constantly on the alert in matters of new coverage, changes in coverage and rate making considerations."

Overloaded With Rules

"The insurance business is overloaded with rules, regulations and foregone conclusions. We complain of bureaucracy in government and here we have private enterprise with as fine an example of bureaucracy as can be imagined."

"Naturally, there must be rules and regulations to safeguard the insurance industry, but every effort should be made to have these rules as simple as possible. To the casual observer it seems that too many insurance rules and regulations are made, not solely for the safeguarding of the business, but—like jurisdictional union disputes—purely for competitive regulation and charter restrictions. We, as insured, are not interested in inter-company or inter-bureau jurisdictional restrictions."

"I am positive that, as a general principle, if managerial ability were given a fairer chance, a solution would be found to many of the as-yet unanswered insurance problems. Insurance is a gigantic business and it can afford to, and does, employ some of the best brains available. Why, then, can't these managerial abilities be used to their fuller advantage?"

Mr. Guernsey said that "now is the time when all members of the insurance fraternity — producers, underwriters, agents, brokers and buyers should work together, to the end that insurance shall not be found wanting."

Managerial Ability

The speaker proposed a fuller use of the individual managerial ability of insurance executives, instead of an increased and more cumbersome control by regulatory bodies, thus giving these executives an opportunity to re-examine their methods and practices, in order to bring them more truly up to date and in line with present day conditions.

Also he urged a greater consideration
(CONTINUED ON PAGE 16)

Insurance Not Ranked with Artificial Flowers

Although the status of insurance men is not affected by the new program of the Selective Service Bureau under which effective April 1 dependency is removed as a cause for draft deferment, the new policy naturally attracted the greatest interest of the insurance business because it was announced that the list of non-deferable occupations and industries will be extended and amended from time to time. While it is gratifying that insurance was not included in the first list, it would have been a terrific shock if the insurance industry or any phase of it had been included on that list because it would have indicated that the Washington authorities put the lowest possible value on the contribution of the insurance industry to the war effort. To have put insurance in a list along with social escort services, gambling, night clubs, beer, wines and liquor, plumes and artificial flowers, etc., would have properly been taken as an insult. At any rate it gives the lie to insurance jokesters who have been saying that they have been privileged to see the ranking of occupations according to their essentialness and that insurance came just above artificial flowers.

It seems unlikely that when and if the government gets ready to take a position on insurance, banking, etc., it would blanket such industries as non-deferable but there would certainly at least be distinctions between types of insurance service.

The National Association of Life Underwriters has been particularly anxious lest life insurance selling be set down as non-essential and the American Life Convention recently appointed a committee to give the Washington authorities a conception of the value of the services being performed by the life insurance agent. Whether the new selective service policy will cause insurance men with dependents within the draft age to leave for war industries or apply for military and naval commissions remains to be seen. The fact that those on the first list are given until April 1 to register with the U. S. Employment Service for war industry jobs may indicate that those in occupations to be included in further lists will also be given a period to make such adjustment.

In England there are committees within such industries as insurance to study the man-power problem and make recommendations as to types of employees that should be deferred. In the event it is necessary to pick and choose between types of insurance employment or agency it would seem that it would be wise to pursue a similar course in this country. It would be very difficult for the government to set forth deferable and non-deferable occupations within the insurance industry that would be fair to various individuals and to the industry itself.

Officials of the War Manpower Commission are at the Palmer House in Chicago Feb. 10-12 to discuss war time manpower problems at the conference of the personnel division of the American
(CONTINUED ON PAGE 12)

Sharp Pleads Guilty in Rochester

**Prominent Local Agent
Confesses Extensive
Premium Finance Fraud**

ROCHESTER, N. Y.—Thomas A. Sharp, who was president of the Hayes, Sharp & Haggerty agency of Rochester, who was a former president of the New York State Association of Local Agents and was its national councillor for several years, pleaded guilty in county court at Rochester to three counts of an indictment charging second degree forgery and first degree larceny in connection with fraudulent transactions with a premium finance company totaling \$285,509. He will be sentenced Feb. 15.

At the same time it was announced that Premium Discount Corporation which was the victim of Sharp's fraud is in process of dissolution. The president of Premium Discount Corporation is James H. Farrell, secretary of the Paviour & Son agency of Rochester. E. A. Paviour, president of the agency, is secretary of Premium Discount Corporation.

The charges to which Sharp pleaded guilty were for forging a promissory note July 20, 1940, for \$1,379 in the name of Beck Cleaners & Dyers, passing the forged note and obtaining the \$1,379 from Premium Discount Corporation.

Fictitious Certificates

Fictitious mortgagee certificates rather than falsified policies had been the basis of Sharp's operations. For example, a policy for \$1,000 covering household effects would be issued and the premium collected and remitted to the home office in the usual way. Then, using the same company name and policy number, a mortgagee certificate would be made out on some large risk. Actual names and locations were correct but, of course, they were not covered. Copy of this mortgagee certificate would be the basis of the finance company's advancing money. Premium Discount Corporation did not send notices to the "insured" or to the insurer. Mr. Farrell apparently trusted Mr. Sharp implicitly.

The losses to Premium Discount Corporation on account of the fraud perpetrated by Sharp and allegedly perpetrated by Charles R. Haggerty, formerly partner in the agency, totaled \$227,000. The creditors consist of the stockholders of whom there are about 30 and the Lincoln Alliance Bank & Trust Co. of Rochester from which it borrowed under a private contract on collateral assignments of insurance policies. The Premium Discount Corporation was founded 14 years ago.

Sharp engaged in pyramiding. He paid the premiums as they fell due under the fictitious promissory notes but before all remaining premiums were due he started new operations so that his debt to the finance company continually mounted.

Sharp had pleaded innocent when he was arraigned Oct. 27. Sharp was originally arrested on information sworn to by Mr. Farrell.

The trial of Haggerty is slated for the
(CONTINUED ON PAGE 12)

Navy Insurance Division Program Working Smoothly

**Changes in Builders Risks,
Casualty Plan Uniform for
All Government Depts.**

By JAMES C. O'CONNOR

WASHINGTON—The navy insurance department, which started virtually from scratch in the office of procurement and material last May, is now fully manned and functioning and has laid out and administered uniform policies for all branches of the navy in connection with contracts, both cost-plus and lump sum.

Lester F. Beck, chief of the section, organized it after being in charge of insurance for the ordnance department of the army for about a year. A graduate of Beloit college and the University of Chicago law school, Mr. Beck entered the insurance business in 1928 with the W. A. Alexander & Co. Agency of Chicago. He left the business temporarily in 1930 to serve as trust officer with the Bank of Commerce in Chicago and as secretary of the Trust Company of Chicago, but returned to insurance in 1935 as assistant counsel of the National Board in New York, where he worked on social security and unemployment compensation problems. In 1937 he became counsel for the National Automobile Underwriters Association, where he played a prominent role in revising the standard policies and drawing up standard combined policies with the casualty companies.

Department Organization

The navy insurance section is organized on a centralized basis. All members are stationed in one office in Washington. A group of specialists on particular lines of insurance is available for consultation on problems arising out of those lines and the other members of the department are examiners, who supervise the insurance of projects, visiting them frequently and working with the officer in charge of each project. The examiners are divided into three groups—shipbuilding, construction and supply.

Clayton G. Hale, former prominent Cleveland agent, and Lieut. S. F. Procopio are assistant chiefs and also serve as specialists in property and casualty insurance respectively. Mr. Hale has been with the navy insurance department since Mr. Beck organized it last May. Lieutenant Procopio, who joined the department shortly after that, was formerly assistant superintendent of Employers Liability in New York.

In the shipbuilding group, Lieut. (j.g.) J. A. Edwards, formerly with Travelers in New York, is supervising examiner, assisted by Lieut. (j.g.) P. G.
(CONTINUED ON PAGE 12)

Speculate as to Appointment of N. Y. Superintendent

ALBANY—R. M. L. Carson, local agent at Glens Falls, past president of the New York State Association of Local Agents, chairman of the National Association of Insurance Agents finance committee and N. A. I. A. national director for New York state, has denied a published report that he is a candidate for New York insurance superintendent. He states that this is positively not true and that he has been embarrassed by publication of the report. Another recent addition to the list of rumored candidates is G. H. Jamison, deputy superintendent in charge of the license bureau, who is said to have the support of the Albany county Republican organization. He has been with the department for the last 20 years.

Others on the rumor list include Assemblyman Russell Wright of Watertown, chairman of the assembly insurance committee, who is still regarded as one of the strongest contenders; E. H. Hunt, counsel New York Insurance Federation; Paul Conway, general agent John Hancock Mutual, Syracuse, and deputy state administrator for war savings bonds; and H. A. Reoux, of Warren county.

Pending appointment of a successor to Mr. Pink, First Deputy T. J. Cullen is acting superintendent, dividing his time between Albany and New York City offices.

Reasons for Delay

Governor Dewey's delay in picking an insurance superintendent is believed to be due to his preoccupation with urgently pressing matters, particularly the budget, which has just been submitted and on which passage of much other legislation depended, and also to the fact that there are no insurance department matters which call for immediate action. In addition there is the fact that Governor Dewey is very much his own man and not under obligation to any faction in the Republican party. It is evident that in all his appointments he is personally looking over the field and making up his mind. As an added precaution he is having the state bureau of criminal investigation make an inspection of all candidates for important state jobs.

Airport Held Liable for Wind Damage to Plane

ST. PAUL—A decision by the Minnesota supreme court that may stimulate the sale of windstorm insurance at public airports holds that proprietors of such airports must heed weather forecasts and protect property in their care. In *Zanker vs. Cedar Flying Service, Inc.*, the court affirmed a lower court verdict in favor of N. H. Zanker who had sued the airport for damage to his plane in a windstorm in September, 1941. Although weather reports received at the airport early that day indicated a storm was approaching, the management made no effort to get the Zanker plane under cover.

Exempt WDC Cover

CONCORD, N. H.—In accord with a ruling of the attorney-general's office, Commissioner Rouillard of New Hampshire has announced the War Damage Corporation will be exempted from complying with New Hampshire's insurance laws, with the tax liability of individual insurance companies participating in the WDC program as fiduciary agents alone yet to be determined.

The attorney-general ruled that "application of our state laws to the business of the WDC would be considered as too much interference with a federal instrumentality—especially during the present emergency."

Another Step in Simplification

Miss. Form No. 112—(12-42).
(Do not use this Form on Farm Property).

DWELLING AND HOUSEHOLD FURNITURE (Fire with Optional Extended Coverage)

THIS FORM FOR AGENT'S RECORD
AND COMPANY DAILY REPORT
DO NOT ATTACH TO POLICY

Attached to and forming a part of Fire Policy No. _____ of the _____ Ins. Co. of _____, issued at its _____ Mississippi Agency.

Agent, _____

*1. ON the _____ (Number of stories, construction, and roof covering) _____ roof building, and its additions, occupied by _____ (Owner or tenant) _____ family dwelling, situated _____

*2. ON all household and personal property, except as hereinafter excluded, belonging to insured and family and usual to a dwelling, while contained in above described building. _____

*3. ON _____ roof building occupied as _____

*4. ON _____

Insurance attaches only on items where an amount is shown opposite, and for only the amount inserted. Exclusions—This policy does not cover: Motor Vehicles, accounts, bills, currency, deeds, evidence of debt, money, notes or securities.

In consideration of premium of \$ _____ UNEARNED PREMIUM ENDORSEMENT on reverse hereof is hereby made effective.

Ground Floor Warranty printed below does _____ apply. Safe Floor Warranty printed below does _____ apply.

No additional insurance permitted unless the amounts are inserted by Agent of this Company in the blank space noted below, viz:

Item 1. \$ _____; Item 2. \$ _____; Item 3. \$ _____; Item 4. \$ _____

Mortgagee Clause (Applies to Building Items only)—Loss or damage, if any on building items, shall be payable to: _____ (address) _____

(2) _____ (address) _____

Another step forward in the movement to simplify and render more economical the writing of dwelling and household furniture business involving fire and extended coverage has been taken in Mississippi. The scheme that was originated in S.E.U.A. territory last fall has been further refined in new forms just released by the Mississippi Rating Bureau.

The Mississippi form has been even further abbreviated and altered. There is only one copy of the complete form, it being attached to the policy. The copy for the agent's record and the company daily report includes only that portion on which entries are to be made. In the new Mississippi form reference to extended coverage is omitted in the copy for agent's record and daily report since there is a line in the face of the policy and daily report where extended coverage rate and premium is inserted.

In the Mississippi form the name of the company and that of the agent and the latter's address are brought together at the top of the form thus tending to simplify checking operations. The new forms are also smaller than the S.E.U.A. forms. The complete form is only 9 1/2 inches long and the daily report form only four inches.

In the middle west the same principle is being applied in new forms that have been adopted and it appears that there will be some friendly rivalry between the south and the west in developing these instruments. In the south six-point type is used, which makes a more compressed form than that of the middle west where eight-point type is used in most states. In Michigan and one or two other states 10-point type must be used.

In the middle west the space for agent's signature is at the bottom of the first page of the complete form. Another difference is that in the middle west references in the top part of the

form constituting the daily report to provisions in the complete form are omitted. In the south this has not been done. For instance, it will be noted in the Mississippi form that there is reference to "uneared premium endorsement on reverse hereof;" "ground floor warranty printed below" and "safe floor warranty printed below." Of course, in the daily report form there is no "reverse" or "below."

Visibility and Neatness

With the short form the entire daily report and the form are visible without any unfolding operation. This will make the files neater, will consume less filing space and will avoid the necessity of unfolding and folding the form. It is estimated that each daily report is handled a minimum of five times and hence a few seconds lost on each daily will soon mount up to a large aggregate.

P. B. Moran Returns to Post

P. B. Moran, associate manager of the western marine department of Automobile at Chicago, has returned to his post after having served in the army for the past several months. Mr. Moran, who is 42, was inducted prior to the time that the draft age limit was lowered to 38 and he has now been released to civilian life.

National Field Meeting

Field men of National Fire in Illinois, Wisconsin and Indiana are holding a conference this week in Chicago with E. H. Forkel, co-manager in charge. There will not be a general meeting this year. One of the managers with a superintendent of agents will visit the other states and have a personal conference with the field men.

Arrangements Completed for F.U.A.P. Meeting

SAN FRANCISCO—The Fire Underwriters Association of the Pacific will hold its annual meeting March 3-4 in the Palace Hotel, San Francisco with an abbreviated program. The annual banquet will be held the second night. Attendance is not expected to equal previous years because of transportation problems. An elaborate program along patriotic lines has been arranged for the banquet, with presentation of the colors to the organization.

F. J. Pelletier of Hinchman, Rolph & Landis, president, will preside at the banquet. Russell L. Countryman, Norwich Union, is the incoming president. Several insurance commissioners are expected to attend.

John Henry Martin of the Standard Forms Bureau, chairman educational committee, is in charge of banquet arrangements, assisted by Loren Bush, Pacific Board; H. H. Osborn, North British group, and B. F. Weaver, Royal-Liverpool group. Armand Girard, radio performer and producer, will be master-of-ceremonies.

C. W. Carpenter, president California Association of Insurance Agents, is to be one of the speakers.

James W. Ross of Peoria Takes Ill. State Post

James W. Ross, prominent life insurance man of Peoria, has joined the Illinois insurance department as assistant supervisor of the policy department. He has been in the insurance business in Peoria and in Pekin, Ill., for 30 years. He is an agent for Mutual Benefit Life and has been very active in organization affairs. He has held all the offices in the Peoria Life Underwriters Association and has served on various committees of the N.A.L.U. He was honored by the members of his agency at a dinner and was presented with a gold service pin representing 15 years with Mutual Benefit, and a gift.

Employers Pays Extra in Texas

DALLAS—The first break in the commission status quo on fire and windstorm insurance in many months came when Employers Fire filed with the insurance department notice that it will pay 25 percent on the normal premium on fire insurance and 30 percent on the windstorm premium in 18 cities. The company, according to word received in Dallas, intends to pay the extra 5 percent commission to selected agencies.

So far only the Texas fire companies, with one exception, and a few smaller non-board companies of other states have been paying commissions over the schedule agreed upon by the board of insurance commissioners.

Ga. Drive Off to Good Start

ATLANTA—The drive of Georgia insurance men to break all records for war bond sales in Georgia got under way Monday with initial sales of all type of bonds totalling somewhat more than \$2,000,000, Langdon C. Quin of Hurt & Quin, chairman of the advance sales committee, announced at a luncheon. The insurance men face a statewide quota for the month of \$6,600,000 in series E bonds. More than 700 attended the luncheon. Every type of insurance activity was represented.

During the luncheon three Atlanta insurance women, costumed as night club cigarette girls, sold stamps and bonds.

Speakers were Rutherford L. Ellis, president of the Georgia Association of Insurance Agents, and Lieut.-Col. Fred P. Jacobs of the Fourth Service Command.

THIS WEEK IN INSURANCE

R. D. Guernsey, president of Risk Research Institute, tells Connecticut field men that managerial talent in the insurance business should be used to a greater extent and should not be submerged. **Page 3**

Operations of the navy insurance department which is in charge of Lester F. Beck are described. **Page 3**

Thomas A. Sharp of Rochester, N. Y., pleads guilty to defrauding Premium Discount Corporation. **Page 3**

Marine war risk losses for 1942 exceeded premiums by \$42,187,040. **Page 5**

Superintendent Pink of New York, just before retiring from office, recommends that the problem of excess commissions to brokers be tackled in a serious way in the state. **Page 5**

Majority of members of committee on the "gap" between fire and extended coverage and WDC insurance votes in favor of war clause for private insurers embodying wording of WDC contract. **Page 5**

Stock and mutual company representatives are meeting in New York Thursday in an effort to reach a final decision on what rate reductions shall be made on commercial cars. **Page 17**

Hartford Stenm Boller brings out its own manual which produces considerably lower rates and introduces a number of underwriting innovations. **Page 17**

E. W. Sawyer tells members of Risk Research Bureau some of the problems involved in producing rates that are equitable. **Page 18**

U. S. Senator Green of Rhode Island introduces a bill to provide total and permanent disability benefits and \$3 a day hospitalization benefits to those now covered under the social security act. **Page 19**

Provisions of Rhode Island compulsory health insurance act, effective April 1, are reviewed. **Page 19**

Under the wing of the Association of Casualty & Surety Executives, advisory committee on aviation insurance has been set up, representing the three aviation insurance syndicates and Employers Liability. **Page 18**

Martin W. Lewis of Towner Rating Bureau, in a talk to New Jersey group, emphasizes the necessity of concentrating on the sale of fidelity and other lines that are not made to order by reason of statutes. **Page 17**

1942 War Risk Losses \$42,187,040 More Than Premiums

**But Loss Is Small for
Entire 3½ Years
of War**

NEW YORK—In spite of the heavy toll of sinkings during 1942 the American marine market will show only a small loss on its overall operations for the three and one-half years of experience on marine war risks.

The 1942 net premium income on cargo and hull risks was \$162,531,666 as compared with losses paid and outstanding of \$204,718,706. For cargo war risk only premiums were \$135,264,051 as against losses of \$145,811,139 while for hull risks the premium income was \$27,267,615 as against losses of \$58,907,567.

For the entire three and one-half year period the net premium income for both cargo and hull was \$243,036,298 as against losses paid and outstanding of \$231,867,607. Cargo premiums accounted for \$206,887,461 of this total as against losses paid and outstanding of \$171,247,153, while hull premiums were \$27,267,615 as against losses of \$60,620,454.

Insured \$17 Billion

On the basis of amount at risk the companies covered during the three and one-half year period approximately \$17,061,000,000. While these war risk underwriting operations have resulted in a credit balance of \$11,168,691, representing the difference between total premiums of \$243,036,298 and losses of \$231,867,607 this balance is a gross sum from which must be deducted taxes and overhead expense, which will undoubtedly exceed the amount of the credit balance. Furthermore the results have left no provision for reserves to cover the temporary and speculative nature of war risk business.

The volume of cargo war risk insurance being written currently is materially less than it has been because of the limited amount of exports and the fact that the government is insuring a large part of imports, particularly foodstuffs, at the lower rates offered by the War Shipping Administration. H. H. Reed, New York manager of North America and chairman of the American Institute of Marine Underwriters information committee, said in releasing the figures that he doubted that the 1942 premium volume of war risk insurance would exceed 20 to 25 percent of the 1942 total. He said that the cargo war risk exchange is going to try to make money in 1943 but that it will not be possible to recoup any of the previous losses because of the competitive situation. The American market has to meet the competition not only of the WSA but of London underwriters as well.

As far as future rates are concerned, Mr. Reed said that the construction of new escort vessels offers the greatest hope of reducing sinkings by submarines and a consequent lowering of rates in dangerous waters. He said there is no doubt that the submarine menace is very serious and that it has not yet been conquered.

Escort Vessels a Solution

As far as hull insurance is concerned, the American Marine Insurance Syndicate discontinued writing war risk hull insurance last year when the business was taken over entirely by the WSA. By the end of the year it had practically wound up its war underwriting

Companies Differ Widely in Ratios on 1942 Figures

NEW YORK—Comparisons of loss ratios and expense ratios between one company and another will reveal greater and wider differences than for many years past. This condition reflects mainly the amount of marine war risk business which each company has as compared with its fire and automobile business.

Other things being equal, companies with a higher than average proportion of marine war risk business will show a higher loss ratio than they otherwise would but a lower expense ratio. War risk losses paid and outstanding last year were \$204,718,706 as against net premiums of \$152,531,666 but the expense ratio on this class of business is low.

Fire and Auto Favorable

On the other hand the experience on fire and automobile has been favorable, losses being down 2.33 percent from 1941 according to the National Board's estimates.

Refuse Renewals on Roadside Taverns

NEW YORK—Fearing moral hazard fires, some companies are refusing to renew policies covering roadside taverns and other eating places in the strictly rationed eastern states hit by the pleasure-driving ban if these establishments are so located that they depend largely on motorists' business. So far the situation is not regarded as being serious enough to warrant getting rid of these risks by cancellation, which would be very disturbing to the agents.

Refusal to accept renewals has meant that agents are having to seek other companies which would take the business and companies that will accept it are scrutinizing it with the greatest care and accepting it very reluctantly if at all. This type of business has always been looked on with disfavor. Ownership is frequently far from the best grade and usually the buildings are in areas with no fire protection.

Refusal to cover these roadside establishments is subject to some exceptions, as for example places that are on well-traveled truck routes or are on roads in the neighborhood of war industry plants. Some of these spots are doing the largest business in their history.

operations and had only one ship remaining as a risk, insured for a value of \$847,000.

As to the prospect for making money out of regular ocean marine business this year Mr. Reed was pessimistic. He mentioned the reduced flow of exports, the fact that a great deal of business, such as lend-lease materials, is not insured at all, the shrinkage in trade due to countries being cut off by the war, the increase in marine perils due to war conditions, and the increased losses due to theft and pilferage.

Mr. Reed called attention to the difference in the situation regarding war risk insurance between this war and the last, pointing out that the exchange has held itself open to write every legitimate piece of business and has been of great benefit to insured although it has been hard on the underwriters, who could not withdraw from the market or underwrite selectively so as to "balance their books" as was often done during the last war, when there was no exchange. He recalled that when the U-53 was operating off Nantucket during the last war the entire war risk market shut down for a week and accepted no risks. In this war the merchant has always known what protection he could get and how much it would cost him.

"Gap" Committee Votes for Wording of WDC Form

NEW YORK—The company committee which has been working on the problem of bridging the gap between the standard fire policy coverage and that of the War Damage Corporation policy has voted in favor of a war exclusion clause that would embody the language of the WDC contract. The vote was not unanimous but the proposed course was favored by a large majority.

Grounds for use of the WDC language in the fire policy are that in this way the insured, provided he also takes extended coverage will be protected against damage by falling aircraft and resultant fire no matter what the plane's nationality. At present there is no coverage against damage resulting from friendly nations' aircraft engaged in warlike operations or resisting enemy attack.

The minority attitude was indicated by the views which Julian Lucas, prominent New York City broker, expressed recently at a New York Blue Goose meeting. He said the effect of the change would be to widen the gap rather than closing it and that the gap can be bridged only by broadening the WDC's coverage.

Two Coast Companies Are Using Renewal Certificates

SAN FRANCISCO—Pacific National Fire has announced adoption of renewal certificates for fire insurance policies as a means of economy and relief of manpower. They will be used in states where approved at the option of agents and brokers. Outside of the home office territory on the Pacific Coast the certificates will be used by the eastern department office in Philadelphia, according to R. J. Mayle, vice-president. The certificate is 8½ by 7¼ inches and folds to the same size as the folded policy. It is used as an endorsement.

Associated Fire & Marine also is adopting the renewal certificate for fire policies in states where such a system is permitted. It has been using certificates in three mid-western states for some time and they will use them immediately in California and all other states where authorities have approved them.

Peoria Adjusters Elect

New officers of the Casualty Adjusters Association of Peoria, Ill., are: President, Fred Martin, vice-president, Harold Claes, and secretary-treasurer, Richard Johnson. J. J. Dunne spoke on personal injury cases, and R. J. Nelson on "The Actuary in Insurance Work." E. D. Forsythe presided.

Lesson Learned from Peoria Hotel Fire

The Pascal Hotel fire at Peoria, Ill., which caused a total loss during the week that the Illinois Fire Prevention Association was inspecting the city, has had a salutary effect on other properties that were inspected and where the report showed hazards that should be removed. The hotel fire convinced other property owners seemingly that the recommendation should be heeded.

State Agent J. P. Jana of the Hanover Fire, accompanied by two firemen and two Boy Scouts, inspected the Pascal Hotel the afternoon before the fire. The report showed that there was a quantity of excelsior and baled paper in the basement of the hotel stored there by a pharmaceutical establishment in the same building. Mr. Jana also found that the electric wiring was in poor shape.

Pink Urges Excess Commission Problem Be Tackled

**Makes Recommendation
as One of Last Official
Acts in N. Y.**

NEW YORK—As one of his last official acts before leaving office Jan. 31, Superintendent Pink of New York issued a memorandum on the subject of excess commissions paid to brokers in which he suggested a joint conference between the insurance committees of the legislature, representatives of the New York Fire Insurance Exchange, the producing forces and the New York department with a view to obtaining legislation which would bring order out of the present confused situation.

Mr. Pink said that while the department believes in encouraging self-regulation in the industry the exchange apparently lacks sufficient power to regulate brokers' commissions without the assistance of the department and there is a question as to the department's legal power in view of the New York court of appeals decision in the Northwestern National Fire case, which held that the superintendent did not have the power to refuse to renew the company's license merely because of its policy in connection with commission payments.

Mr. Pink said that although the court did not deal with the brokers' phase of the problem the department has concluded that in view of the decision as well as the fact that nearly four years have now passed it should not reopen the case and consequently will take no action with respect to the brokers who were found to have been receiving the higher commissions at the time of the examination in 1939. At that time the department stated that for the time being the brokers' names would be withheld and would not be included in the examiners' report as officially filed, since under the pledge the brokers had given the exchange they were apparently subject to its discipline. Names of the brokers are still being withheld.

Mr. Pink stated that since the court of appeals gave its decision late last summer the department has been advised that some brokers are not only accepting a scale of commissions in violation of their written pledge with the exchange but are defying the exchange to take any disciplinary action. The difficulty with increasing the authority of the exchange by statute is that the brokers have no representation on the exchange and would probably be opposed to its having larger powers, Mr. Pink stated, but nevertheless, someone should have authority to police the business so that excess commissions and other abuses may be curbed.

Government Insurance Men Holding Get-Togethers

WASHINGTON—Insurance men in the six government offices maintaining insurance departments have been holding informal dinner meetings once a month. There is no formal organization or officers, each office taking charge of a meeting in turn. The officers participating are war department, navy department, Defense Plant Corporation, Maritime Commission, Federal Works Agency and Federal Public Housing Authority. The last meeting attracted over 60 and there has been much enthusiasm behind the idea.

INSURANCE MEN IN ARMED SERVICES

Travelers Honor Roll Lists More Than 2,200 in Service

The third edition of Travelers' honor roll of employes and representatives now in armed services, contains 2,201 names, an increase of more than 88 percent over the first honor roll of 1,167 published in July. A copy has been sent to every person in the Travelers employ and to all those listed, wherever they are serving.

Though compiled from information in the companies' possession Dec. 12, the honor roll lacks the names of 180 Travelers men and women from the United States and Canada who have entered service. Periodic revisions are planned to keep the list up to date.

George M. Lynch, Jr., resident adjuster of the Western Adjustment at Great Bend, Kan., has left for the marine corps officers' candidate school at Paris Island, S. C.

J. R. Stanley, special agent of the Aetna Casualty, in Los Angeles has been inducted into the army.

Lieut. Frank H. West of the Armit & West agency, Colorado Springs, is now stationed at the Pueblo arms depot, after taking several weeks training at Aberdeen, Md.

Carl H. Carpenter, Denver, special agent of Maryland Casualty, has entered army service.

S. J. Higgins, personnel manager of Lumbermen's Mutual Casualty, has received a lieutenant's commission in the navy and will report at Fort Schuyler, N. Y., Feb. 15.

Arthur C. Zellner, local agent at Janesville, Wis., before enlisting in the army last June, has been commissioned a

second lieutenant on completing training at Fort Benning and assigned to headquarters, Eighth Service Command, Dallas.

R. W. Baker, former head of the compensation underwriting division of Lumbermen's Mutual Casualty at Boston has received a commission as a lieutenant (j.g.) in the navy. **C. S. Reddy**, adjuster at South Bend, Ind., for Lumbermen's has reported as a navy ensign.

S. M. Young, president of Progressive Mutual of Cleveland, has been commissioned a major in the army and is in training at the school of military government, Charlottesville, Va.

B. F. Martin, who has been associated with Hartford Accident for 20 years in Chicago, and who is now an attorney in the claims department there, is leaving this month to join the navy as a lieutenant in aviation.

John J. Corniveaux, accident and health special agent for Anchor Casualty of St. Paul, has enlisted in the navy and will train in Connecticut. His father is the retired agency director of the New York Life in St. Paul.

The Minnesota branch office of the **American Auto** has five men in the service: **Arnold Loe**, field representative, army; **George Duerr**, underwriter, and **Dale Blomness**, junior clerk, marines; **Richard Larson**, underwriter, and **Donald Holker**, junior clerk, naval aviation cadets.

Several employes of the Chicago service office of **North America** are now in service, including **Ferris S. Martin**, fire department, in the air corps; **Ernest J. Edie**, claims, ensign in the navy, and **K. Jacobsen**, mail department, in the navy.

James H. Moffett, Jr., Oregon claim manager of Gould & Gould for two

years, has been ordered to report at Seattle for induction Feb. 8.

W. A. Comrie, formerly with Charles W. Sexton Company, Portland, Ore., but since June, 1942, a second lieutenant in the army air corps stationed at Keesler Field, Biloxi, Miss., has been promoted to first lieutenant.

Ervin G. Euler, district claims manager of Hardware Mutual Casualty, Pittsburgh, has been commissioned an ensign in the naval reserve.

Paul Hess, Fort Wayne, Ind., local agent, has been inducted into the army. The agency will be operated by Mrs. Mary G. Colone, who has been secretary since the agency started.

Kenneth Scott, Emporia, Kan., local agent, has been commissioned a lieutenant (j. g.) in naval aviation and reported at Quonset Point, R. I.

The Conkling, Price & Webb agency of Chicago this week received a letter from **Edward J. Brink**, who was formerly an underwriter in the office, reporting that he was wounded in action against the Japs in the Solomon Islands and is now at a base hospital. He is a first lieutenant in charge of a machine gun company.

Second Lieut. Elizabeth M. Lutze, daughter of August Lutze, prominent local agent of Sheboygan, Wis., and past president of the Wisconsin Association of Insurance Agents, has been selected from WAAC personnel at Fort Des Moines to attend the army command and general staff at Ft. Leavenworth, Kan.

John G. Miller, special agent of Cravens, Dargan & Co. in Seattle, has entered the navy and reported to Dartmouth College for officer training.

Glen G. Wallace, manager of the insurance department of Wallace & Co., Des Moines, was inducted into the army at Camp Dodge.

Waldo Hardell, for several years an

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business Feb. 1, 1943.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	139	144
Aetna Fire	10	1.80*	52	54
Aetna Life	10	1.40*	30 1/2	32
Amer. Alliance ..	10	1.20*	22 1/2	24
Amer. Equitable ..	5	1.00	18	19 1/2
Amer. Home	10	...	6 1/2	7 1/2
Amer. (N. J.) ...	2.50	.60*	14	15
Amer. Surety ...	25	2.50	53 1/2	55 1/2
Automobile	10	1.40*	38	40
Balt.-Amer.	2.50	2.50*	43 1/2	45
Boston	100	21.00	545	565
Camden Fire	5	1.00	21	22
Contl. Cas.	5	1.50*	36 1/2	37 1/2
Contl. N. Y.	2.50	2.20*	41	43
Fidelity-Phen. ...	2.50	2.20*	43	45
Fire Assn.	10	2.50*	60	63
Firemen's (N.J.) ..	5	.40	10 1/2	11 1/2
Fireman's Fund ..	10	3.00	74	76
Franklin Fire ...	5	1.40*	28	29 1/2
Gen. Reinsur. ...	5	2.00	44	46
Glen Falls	5	1.60	41	42
Globe & Repub. ...	5	.50	10 1/2	11 1/2
Gt. Amer. Fire ...	5	1.20*	28	29 1/2
Gt. Amer. Ind. ...	2	.20	10	11
Hanover Fire ...	10	1.20	26	27
Hartford Fire ...	10	2.50*	94	97
Home (N. Y.) ...	5	1.60	28 1/2	29 1/2
Ins. Co. of N. A. ..	10	3.00*	70	72
Maryland Cas. ...	1	...	4 1/2	5
Mass. Bonding ...	12.50	3.50	66 1/2	68 1/2
Mer. (N.Y.) Com. ..	5	2.00*	43	45
Natl. Cas.	10	1.00	23 1/2	25 1/2
Natl. Fire	10	2.00	58	60
Natl. Liberty ...	2	.40	7 1/2	8 1/2
Natl. Un. Fire ...	20	5.00*	167	174
New Amst. Cas. ...	2	.97 1/2	23	24
New Hampshire ...	10	1.80*	42 1/2	44 1/2
Northern (N.Y.) ..	12.50	5.00*	90	93
Ohio Cas.	5	.70	19	21
Phoenix, Conn. ...	10	3.00*	86	89
Preferred Accl. ...	5	1.00	14 1/2	15 1/2
Prov. Wash.	10	1.40*	32	34
St. Paul F. & M. ...	62.50	10.00*	270	280
Security, Conn. ...	10	1.40	36	38
Sprgfld. F. & M. ...	25	4.75*	122	126
Standard Accl. ...	10	2.50	57 1/2	59 1/2
Travelers	100	16.00	422	430
U. S. Fire	4	2.00	51	53
U. S. F. & G.	2	1.25*	32	34

*Includes extras.

executive of Chas. W. Sexton Co., Minneapolis, has been promoted to captain in the aviation corps and has been transferred from Tulsa to El Paso.

INTER-OCEAN REINSURANCE COMPANY

CONDITION DECEMBER 31, 1942

ASSETS

Cash in banks	\$ 554,398.69
United States Government bonds	2,316,817.02
All other bonds	916,549.61
Stocks	505,468.00
First mortgage loans FHA	628,894.91
Other first mortgage loans	77,470.30
Real estate sold under contract	104,100.00
Home office building	93,419.96
All other real estate	38,850.00
Accrued interest and rents	36,402.98
Due from insurance companies	330,953.47
(Not over 90 days)	
Other admitted assets	44,262.47
	<hr/>
	\$5,647,587.41

LIABILITIES

Unearned premiums	\$3,307,981.13
Reserve for losses	375,748.21
Reserve for adjustment expense	16,889.55
Reserve for taxes	36,042.28
All other liabilities	51,057.85
Capital	\$ 500,000.00
Surplus	1,359,868.39
Treatyholders' surplus	1,859,868.39
	<hr/>
	\$5,647,587.41

Note: The amortized and market values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. On an actual market value basis the total admitted assets would be increased to \$5,694,662.33 and the net surplus to \$1,406,943.31. Securities carried at \$500,000.00 in the above statement are deposited as required by law.

REINSURANCE — FIRE AND ALLIED LINES

EASTERN DEPARTMENT
90 John Street
New York

HOME OFFICE
CEDAR RAPIDS, IOWA

PACIFIC COAST DEPT.
114 Sansome Street
San Francisco

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This Hasn't Happened Here — But

Incendiary bombs haven't rained on America yet—but annually thousands upon thousands of American homes are destroyed by fire. Many, undoubtedly most, of such fires can be prevented.

Remember, each burned home now represents destruction of essential materials. Insurance can only furnish the funds to replace them.

Loss of your home by fire thus means serious consequences to you and just that much loss to a fighting nation. Make it your wartime policy

to be fully insured and to Be EXTRA careful about Fire!

Fire insurance normally protects your property. But today, unless you have War Damage Insurance, you are not protected against loss of home, business property or other possessions through enemy attack.

For the protection of its citizens, the Federal Government has set up the War Damage Corporation to put this special low-cost insurance within reach of all. Any Home agent or your own broker will be glad to give you full details.

☆ THE HOME ☆
Insurance Company
NEW YORK
FIRE • AUTOMOBILE • MARINE INSURANCE



NEWS OF FIELD MEN

Phillips to Minn., N. D. for Nat'l Union

A. L. Phillips has been appointed special agent of National Union for Minnesota and North Dakota, succeeding State Agent Walter W. Belford, resigned. Headquarters will continue at 1400 Northwestern Bank building, Minneapolis.

Mr. Phillips has been connected with National Union since 1933 in various capacities through the Cook County department at Chicago under Manager I. C. Faber. More recently he has been special agent for the marine department, operating in a number of western states.

Paul E. Briggs Is W. Va. President

CHARLESTON, W. VA.—Paul E. Briggs of Commercial Union, was elected president of the West Virginia Fire Underwriters Association at the annual meeting here. Vice-president is Herbert Fahlgren, Virginia F. & M., and secretary A. S. Whiteley.

New members of the executive committee are: D. E. Wilson, Phoenix of London, chairman; T. J. Beagan, National Union; G. M. Hampton, Great American; H. E. McShane, Aetna Fire.

Donaldson Elected Head of Intermountain Group; New Name Is Adopted

SALT LAKE CITY—At the annual meeting here of the Intermountain Field Club, Roy Donaldson, St. Paul F. & M., was elected president, succeeding E. G. Eldredge, general agent. Other new officers were L. M. Keyser, Standard General Agency, vice-president; A. R. Busch, Home, secretary-treasurer. All maintain headquarters here. A resolution was adopted changing the club's name to Intermountain Fire Underwriters Association.

In discussing the Pacific Board's requirement that a photograph accompany requests for renewal of farm risks, it was held that the rule is working a hardship on agents because of distances and the rationing of gasoline. It was thought by some that a signed statement on the part of the insured to the effect that there had been no changes since the last renewal would be all that was necessary.

Quinn in Western N. Y. for Hanover Fire

NEW YORK—J. Raymond Quinn has been appointed special agent of Hanover and Fulton in western New York state, succeeding the late M. J. Martin. Mr. Quinn is experienced in both home office and field work and is well qualified for his new duties. He has been with American. He will make his headquarters in the Onondaga County Savings Bank building, Syracuse.

Initiate Three in Seattle

At the semi-annual meeting of the Seattle Blue Goose, H. L. Stamey, Hansen & Rowland; Lee Keuckelhan, deputy insurance commissioner, and Duane Frisbie, Chapman-McGuinness Co. were initiated. Roy O. Elmore, Pacific National Fire, extended greetings from the San Francisco pond.

It was decided to poll the members as to whether the pond will invite the grand nest to Seattle at some future date after the war.

R. J. Taylor, 59, a director of Johnson & Higgins, died at Orange, N. J. He joined J. & H. in 1924.

Nat'l Union Names McCrorey in Ga.

National Union Fire has appointed Joe Y. McCrorey as state agent for Georgia. He will be associated with Resident Secretary J. Hunter White in the Trust Company of Georgia building, Atlanta. Mr. McCrorey has been Georgia state agent of Royal-Liverpool and is a prominent field man of the state.

Macy Named State Agent of America Fore in Michigan

Armin J. Mueller, state agent supervising Niagara and American Eagle in the Michigan field with headquarters at Jackson, is entering government service Feb. 15, in the ordnance department.

To fill the vacancy, Special Agent Kent L. Macy, for several years assisting State Agent Roy Elder of Fidelity-Phenix in Indiana, is being promoted to state agent in Michigan. Mr. Macy is a graduate of the Armour Institute fire prevention engineering course.

Accountant to Speak on Taxes

Roy J. Pile, certified public accountant, will speak on "Taxes" at a meeting arranged by the educational committee of the Indiana Fire Underwriters Association in Indianapolis, Feb. 8. His talk will be followed by a question and answer period.

Mitchell to St. Louis for Hartford

John R. Mitchell has been appointed special agent of Hartford Fire in St. Louis and will spend his entire time working with the agencies of St. Louis and St. Louis county. He succeeds Walter Walther, who has been made assistant superintendent of the western marine department in Chicago. Mr. Mitchell has been an assistant examiner in the Chicago office for several years, and for the past several months has had charge of handling business of the War Damage Corporation.

Carlson with Automobile

In the announcement of election of officers of the New Jersey Field Club, published last week, it was stated that C. P. Carlson was with Glens Falls. He is with Automobile.

Meren Transferred to Dallas

Arthur F. Meren, special agent in Houston of Great American, has been transferred to Dallas and will cover all of east Texas except Dallas, Tarrant, Denton, Collin and Grayson counties, which continue under supervision of State Agent M. G. Jarreau.

D. S. Walker in W. Va. Field

Fire Association has appointed D. S. Walker as special agent for West Virginia and the southeastern counties of Ohio to succeed J. G. Junior who has reported for duty as a naval ensign. Mr. Walker has been with Fire Association's western Pennsylvania field office and before that was at the home office.

Will Inspect Augusta, Kan.

Wichita members of the Kansas Fire Prevention Association are planning an inspection of Augusta. Local cooperation will be exceptionally good, due to a recent fire which wiped out a newspaper plant and retail store. George L. Steeples, Home, former president of the association, is in charge.

R. V. Cherry, manager Western Adjustment, Indianapolis, has been appointed chairman of the entertainment committee of the Indiana Blue Goose, replacing John R. Munson, Home, ordered in service.

Therefore, be it **RESOLVED:**

That we, Americans all, will work and fight to make 1943 our VICTORY YEAR—

to buy—and buy war bonds and stamps—
to help protect our national wealth, resources and personal possessions with the same force and might of a watchful, hard-hitting army, navy and air force—

to help protect home possessions of factory, houses, all buildings and timber against fire hazard from incendiary bombs, carelessly thrown matches and lighted cigarettes.

To remove accumulation of waste and papers in which spontaneous combustion might occur—

to take every precaution against the outbreak of fire in any place or spot—to make sure that all property, large or small is adequately insured—

to keep the home front safe, secure and intact so that when our VICTORIOUS boys come marching home their dwellings, factories, stores and other buildings will be waiting for them to take over—but NOT IN ASHES.

BE IT FURTHER RESOLVED that we, who deal in fire insurance and fire losses, will urge every home owner and business owner as his patriotic duty to immediately protect against fire hazard through watchfulness and insurance protection in this time of war.

THE HANOVER FIRE INSURANCE COMPANY

New York

THE FULTON FIRE INSURANCE COMPANY

New York

Home Office
111 John St.
New York

Western Dept.
Insurance Exchange Bldg.
Chicago

● Timely and to the point is this message to property owners. It appears where many of your clients will see it—in *Time*, the weekly news magazine. Look for it—in color—in the February 8th issue of *Time*. The Aetna Fire Group, W. Ross McCain, President.



some things are doubly precious these days

That is true not only of oil for heating your home, but of your home itself.

Consider how difficult it would be to replace your house if it were destroyed by fire. Consider, too, how much more a comparable new home might cost. Are you carrying sufficient fire insurance to cover present values?

If you are in doubt on this point, your local insurance agent will be glad to analyze your present policies and bring them up to date. The prompt service that local agents can

render—effecting changes in your policies or in the event of loss—is one of the reasons the Aetna Fire Group sells only through such representatives.

When your insurance is with a capital stock company such as those comprising the Aetna Fire Group, you have the added satisfaction of knowing that your policy is backed by both a paid-in capital and surplus. You are never liable for assessment.

**Don't Guess About Insurance
—CONSULT YOUR LOCAL
AGENT OR BROKER**

Since 1849 through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the Aetna to meet its obligations.

WARS	CONFLAGRATIONS	DEPRESSIONS
1846 Mexican War	1835—New York City	1819
1861 Civil War	1845—New York City	1837
1898 Spanish-American War	1851—San Francisco	1843
1917 World War I	1866—Portland, Me.	1857
1941 World War II	1871—Chicago	1873
	1872—Boston	1893
	1877—St. John, N.B.	1907
	1889—Seattle, Spokane	1921
	1901—Jacksonville, Fla.	1929
	1904—Baltimore	
	1906—San Francisco	
	1908—Chelsea	
	1914—Salem	
	1941—Fall River	



The Aetna Fire Group

HARTFORD, CONNECTICUT

Aetna Insurance Co. • The World Fire & Marine Insurance Co. • The Century Indemnity Co. • Piedmont Fire Insurance Co. • Standard Insurance Co. of N. Y. • Standard Surety & Casualty Co. of N. Y.

COMPANIES

R. T. Nelson Joins
Calvert Fire

R. T. Nelson, who served as chief deputy of the Illinois insurance department during the years that Ernest Palmer was director and who had much insurance experience prior to that, is now connected with Calvert Fire of Baltimore, a member of the Commercial Credit Company fleet. His headquarters are in Baltimore but he also performs duties in Philadelphia where part of the C.C.C. insurance operations are conducted. Prior to being connected with the Illinois department Mr. Nelson was with the Chicago Board, being affiliated there with Mr. Palmer when the latter was manager of the board. He was an instructor in the fire prevention engineering course at the old Armour Institute in Chicago and he had served in company offices earlier in his career.

Automobile Makes Profit
Despite War Losses

In spite of an unfavorable experience on ocean marine war risks in 1942, the underwriting experience of Automobile as a whole was profitable. It showed an underwriting profit of \$824,615, and interest and rents were \$906,480. These earnings are before federal income taxes of \$362,412.

Premium reserve increased from \$12,219,656 to \$12,402,738. Assets increased from \$31,383,454 to \$32,778,446, and surplus from \$9,108,060 to \$9,922,266.

Standard Fire of Hartford had an underwriting profit of \$191,740, and interest and rents were \$182,338. These earnings were before federal income taxes of \$96,195.

Premium reserve increased from \$2,703,843 to \$2,947,601. Assets increased from \$6,331,902 to \$6,702,552, and surplus from \$2,100,664 to \$2,202,633.

Travelers Fire, Charter
Oak Show Good Plus Signs

Assets of Travelers Fire at the year end stood at \$33,477,589, an increase of \$3,368,156 and surplus of \$6,194,059, increase \$733,992.

The assets of Charter Oak Fire were \$3,444,508, increase \$319,051 and surplus was \$1,466,886, increase 134,059.

Republic of Texas Shows
Increase in Assets

Republic of Texas increased its assets in 1942 by \$78,852, making that item \$9,335,327. Unearned premium reserve at the end of 1942 was \$4,297,214, an increase of \$214,620. Surplus was \$2,557,809, compared with \$2,583,313 the preceding year.

At the annual meeting Ray C. Boyer was elected as secretary of the company, and A. H. Crossett, assistant treasurer. Other officers remain the same. A new director, Paul S. MacGregor of the C. C. Slaughter Estate, Dallas, was added.

The Michigan Fire Prevention Association inspected Alma and neighboring St. Louis, Gratiot county towns. J. Burr Taylor, Western Actuarial Bureau, spoke.

E. C. Huhnke, Minneapolis manager of Maryland Casualty, has returned from New Hampton, Ia., where he attended the marriage of his son, Staff Serg. R. E. Huhnke of the army air corps, and Miss Lorraine Sheakley of New Hampton. Sergeant Huhnke was with the MacGregor, Bradley & Huhnke agency in Duluth before his induction. He is stationed at McClellan field, Calif.

Write Accident & Health Bulletins, 420 E. Fourth St., Cincinnati, for plans for increasing sales.

FIGURES FROM DEC. 31, 1942, STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prems.	Losses Paid	Loss Ratio
American Auto. Fire.....	5,212,155	+ 631,838	2,301,874	-43,388	300,000	1,496,370	+ 305,941	4,706,090	1,614,753	34.3
American Druggists.....	2,296,010	+ 25,557	232,212	+ 2,321	750,000	1,204,860	-18,125	412,741	176,182	43.0
Bankers Fire, N. C.....	263,634	-8,786	3,363	+ 357	200,000	55,233	+ 1,574	299	5.1
Inter-Ocean Reins.....	5,647,587	+ 10,078	3,307,981	-24,053	500,000	1,359,868	+ 47,691	2,937,779	1,445,220	49.1
National Union, D. C.....	575,070	+ 4,970	95,458	-6,174	200,000	262,110	+ 7,609	55,791	18,793	33.7
Resolute Fire.....	645,961	-54,763	171,961	-114,978	200,000	232,949	+ 79,069	214,287	175,214	81.7

NEW YORK

NEW L.U.B. COMMITTEE

The 1943 governing committee of the Interstate Underwriters Board includes W. F. Dooley, America Fore; G. H. Duxbury, North British; Ivan Escott, Home; K. B. Hatch, Fire Association; J. K. Hooker, Automobile; C. P. Jervey, Travelers Fire; L. C. Lewis, North America; R. R. Martin, Atlas; H. W. Miller, Commercial Union; A. R. Phillips, Great American; J. M. Waller, Aetna Fire; F. C. White, Hartford Fire; H. C. Conick, Royal-Liverpool, as president of the E.U.A.; L. P. Jervey, America Fore, as president S.E.U.A.; J. C. Harding, Springfield F. & M., representing W.U.A., and H. Clyde Edmund-

son, America Fore, as president Pacific Board.

BLIZZARD FORCES CLOSING

Many insurance offices closed early last Thursday afternoon to enable their employees to leave early as the worst blizzard since 1934 hit New York and transportation facilities were heavily taxed. Among the companies that closed early in the afternoon were Home, Globe Indemnity, Maryland Casualty and North America.

Shallcross on Coast Trip

C. F. Shallcross, U. S. manager of North British & Mercantile, is visiting the Pacific Coast office at San Francisco.

Premiums by Lines

	Premiums	Losses Pd.
AMER. AUTO FIRE		
Motor vehicle.....	\$4,706,090	\$1,614,753
AMER. DRUGGISTS' FIRE		
Fire.....	\$402,940	\$172,522
Extended coverage.....	9,801	3,661
INTER-OCEAN REINSURANCE		
Fire.....	\$2,250,930	\$826,339
Extended coverage.....	237,305	77,398
Tornado-Wind.....	232,105	277,055
Sprinkler leakage.....	5,058	3,070
Riot and explosion.....	16,874	2,118
Earthquake.....	13,785	755
Hall.....	62,413	43,165
Motor vehicle.....	6,629	126,750
Inland marine.....	112,623	88,574
Aircraft.....	55
NATIONAL UNION, D. C.		
Fire.....	\$55,352	\$18,789
Extended coverage.....	463	4
RESOLUTE FIRE		
Motor vehicle.....	\$214,287	\$175,214

SHE WON'T TALK!

Will You?

THE ENEMY HAS EARS

WE hope this poster will remind the insurance fraternity that it is in this fight too. They too must enlist in the silence campaign.

Copies of this poster, size 9 x 12 inches, will be furnished any insurance agent for window display

purposes. The Employers' Group imprint appears on the back of the poster. For copies write A. R. P. Department, The Employers' Group, 110 Milk Street, Boston. Please order by form number which is S428.





During the past year, Inland Marine has been called upon to assume many new burdens because of the increase in the amount of property various types of carriers have been called upon to handle, and also because of certain insurance required by contractors executing Government war orders. In many cases war requirements have demanded unusual Inland Marine protection, which has been quickly devised and provided.

If your clients have any war or defense problems, you are cordially invited to consult our Inland Marine Department which will gladly place at your and their disposal knowledge, experience, facilities and that specialized help which will enable you best to care for your clients' needs. The same invitation is extended with respect to **any** of your Inland Marine and Special Lines needs.

Write for a free copy of our new handy Inland Marine rate card.

NORTH BRITISH AND MERCANTILE INSURANCE COMPANY
LIMITED

THE PENNSYLVANIA FIRE INSURANCE COMPANY
THE HOMELAND INSURANCE COMPANY OF AMERICA
THE COMMONWEALTH INSURANCE COMPANY
OF NEW YORK

THE MERCANTILE INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK

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Thomas A. Sharp Pleads Guilty in Rochester

(CONTINUED FROM PAGE 3)

current criminal term of county court at Rochester. He is alleged to have obtained from Premium Discount Corporation on the strength of forged notes \$52,120 on fire policies and \$12,567 on compensation. He is a former Republican state assemblyman in the second district.

Sharp was at one time president of the Underwriters Board of Rochester.

Maximum Penalty

The maximum penalty on each of the counts to which he pleaded is an indeterminate prison term of five to 10 years. Because two or three counts are based on similar elements, attorneys said he faces at most a prison term of 10 to 20 years but could be given one year or a suspended sentence.

Sharp pleaded guilty to two counts of second degree forgery and one count first degree grand larceny.

Premium Discount officials charged that Sharp had been implicated in a swindle extending over an eight-year period that resulted in net loss of \$227,000.

The indictment, which was record breaking in number of counts, listed 400 charges of second degree forgery, 198 counts first degree grand larceny and two second degree grand larceny, involving 200 separate transactions between June, 1940 and June, 1941.

The indictment alleged Sharp issued forged premium discount notes secured by fake policies of insurance or certificates in the total sum of \$6,687,000 fire coverage, \$7,768,000 workmen's compensation coverage and an automobile policy. On the strength of these notes, he was accused of obtaining \$288,599 from the discount concern.

Premium Discount Corporation discontinued taking new business after last Dec. 31 and notified stockholders and insurance agents who were its customers of a plan for "orderly dissolution."

In an attempt to recover its losses, Premium Discount Corporation is contemplating supreme court suits against several insurance companies on the theory that Sharp was their agent. The premium firm is represented by Percival D. Oviatt and Frederick S. Forman. The insurance companies have denied all liability.

Insurance Not Ranked with Artificial Flowers

(CONTINUED FROM PAGE 3)

Management Association. Among officials of the commission who are speaking are Paul V. McNutt, chairman; Glenn E. Brockway, assistant director of the bureau of placement; W. H. Spencer, regional director; William Haber, director of the bureau of program planning and review; Brigadier General W. C. Rose, chief of the manning table division, etc.

The conference will indicate to management how much manpower is available, how the government is going to control it, how various kinds of industries are going to be affected, what the role of the U. S. Employment Service will be, and what is going to happen to manpower in non-essential industries.

Navy Insurance Working Smoothly

(CONTINUED FROM PAGE 3)

Stickler, formerly insurance manager Reynolds Metal Corporation, Richmond, Va., Lieut. (j.g.) J. R. Townsend, formerly a broker at Indianapolis and instructor in insurance at Butler University, Ensign C. G. Gilmore, formerly with North America in New York, and Warrant Officer R. L. Martin, who had been with Fidelity & Casualty in Washington and also in the insurance division of the war department as a civilian.

The construction group is headed by P. L. Perkins, formerly with Glens Falls Indemnity, and includes Lieut. (j.g.) C. C. Flora, formerly at the home office of Liberty Mutual, Lieut. (j.g.) J. J. Vogel, from the home office of Massachusetts Bonding, Lieut. (j.g.) F. K. Butterworth, formerly with Hartford Accident in Chicago, and Howard Buttery, from American Employers at Boston.

Supply Examiners

C. K. Fox supervises the supply group. Mr. Fox was vice-president of Downs & Co., Wilmington, Del., and prior to that was with North America in Philadelphia and with H. W. Brown & Co. In his group are Lieut. (j.g.) R. E. Carroll, formerly with Cornwall & Stevens, New York, and Lieut. (j.g.) F. J. Sartore, who was with Brown, Crosby & Co., New York.

R. E. Shetley, formerly secretary Quaker City F. & M. at Philadelphia, is marine insurance specialist. Lieut. Townsend also serves as life specialist and Ensign Gilmore as specialist on bonds.

The comprehensive rating plan for casualty business, now called the war projects rating plan, is now used by six Washington offices—war department, navy department, Defense Plant Corporation, Maritime Commission, Federal Works Agency and Federal Public Housing Authority. All are now using it on the same basis and, for rating and information purposes, there has been established the Joint Rating Committee for Comprehensive Rating Plan, at 60 John St., New York. William Leslie, general manager National Bureau of Casualty & Surety Underwriters, serves as secretary. Both stock and mutual carriers use this office.

The navy insurance department is greatly interested in setting up standards for medical, hospital and first aid facilities at war plants, particularly shipyards. It has worked with the Maritime Commission and public health and safety agencies along these lines and some official standardization may come out of these efforts.

One of the first and most difficult problems the navy insurance section had to face was that of property insurance on ships under construction. Builders risk insurance had been carried, but this had been opposed as inconsistent with the traditional policy of not insuring government property. Nearly all ships are now being built on a cost-plus basis, with the government owning the materials from the start. It was finally decided that, in fairness to all parties and to avoid cancellations, all existing builders risks would be allowed to run off, but no property insurance would be carried on ships the keels of which were laid after Oct. 1, 1942. Collision, lia-

bility and protection and indemnity insurance are required from launching, including premature and accidental launching, to delivery.

To avoid questions of legal liability for loss of government property, which have arisen under many other contracts where no property insurance is required, the new navy shipbuilding contracts specifically relieve the contractor of liability for loss from any hazard covered under the old builders risk insurance, unless the loss has been covered by insurance, or unless the navy has directed the contractor to insure against it. The navy has had exceptionally fine experience on shipbuilding, with only two major losses, both well publicized.

The navy insurance department has drawn its contracts so that its insurance program can be used with both cost-plus and lump sum arrangements. The later contracts, eclipsed at the beginning of the emergency, are coming back into vogue, as processes are again becoming standardized and costs becoming known and predictable.

American Re-Insurance Increases Assets, Surplus

American Re-Insurance added \$2,122,557 to assets in 1942 for a total of \$18,-

273,070. Unearned premium reserve increased \$173,593 to \$2,331,061. Reserve for taxes, reinsurance, and other items, increased approximately \$650,000 to a total of \$2,004,859. Surplus was increased \$1,060,687 to \$5,995,720.

Continental Casualty Supervisors' Conference

Approximately 75 branch office and agency supervisors of the commercial accident and health, the noncancellable accident and the disability divisions of Continental Casualty country-wide held a 2-day conference in Chicago.

H. W. Chesley Seriously Ill

H. W. Chesley, who retired last year as assistant manager of the Western Underwriters Association, and has been residing at South Yarmouth, Cape Cod, Mass., is in New England Baptist hospital, Boston, in serious condition following an emergency abdominal operation Jan. 27.

W. Bruce Wright, Topeka, special agent Hartford Accident, has a new son, Robert Bruce.

FOR FIRE AND CASUALTY MEN ONLY!



She Ain't What She Used to Be!

► This nationwide gasoline rationing is going to see many a man putting up the family bus on blocks for the duration—and there goes many a good insurance premium! Add to this a reduction in the size of premiums for automobiles still in use, and it spells a big headache for the average casualty insurance man. He'll say that "war is h---!" ► But there's a way to replace that lost income—one that's down your alley. You have an established list of clients. Why not sell life insurance! We know you'll need help to get started and we're prepared to give you that help and show you how to replace your lost income. ► We want men like you in the New England States, New York, New Jersey, Maryland, Delaware, District of Columbia, Virginia, Pennsylvania, Ohio, Illinois, Michigan and Missouri. Address an inquiry to Rolland E. Irish, president. DO IT TODAY!

UNION MUTUAL
LIFE INSURANCE COMPANY
Portland **MAINE** Home Office



Fire Mutual Companies' 1942 Figures

	Adm. Assets	Unearned Preme.	Net Surplus	Net Preme.	Net Losses Paid
Central Manufacturers, O.	9,791,344	4,740,626	3,289,008	5,747,633	2,204,136
Donagel & Conoy Mutual, Pa.	442,832	217,312	207,872	264,084	73,189
Indiana Lumbermen's Mutual.	4,551,088	2,176,765	1,952,346	2,825,399	1,032,402
Midland Mutual, Kan.	367,514	209,245	154,341	157,683	73,923
Mutual Impl. & Hardware, Minn.	8,003,976	4,914,441	1,973,166	5,569,326	1,835,775
Pennsylvania Lumb.	4,596,414	1,798,419	2,000,000	2,262,068	865,833
Providence Mutual, R. I.	1,594,631	334,036	1,242,533	166,379	35,797
St. Paul Mutual, Minn.	109,299	42,525	60,290	208,184	124,979
Union Mutual Fire, Vt.	641,793	116,830	329,161	331,676	124,799
Western Mutual Fire, Iowa.	635,873	339,731	214,333	604,667	179,446

CHICAGO

BOARD PLAN SAVES TIME

Members of the Chicago Board have evolved a plan to save the time required by an agency to check the advance rate cards of the Cook County Inspection Bureau against line cards to determine whether the agency is interested in the risk. The board is furnishing a rubber stamp which the agency can use to mark with a red circle all the rate cards in its rate card file it is interested in. Then when new advance rate changes are issued by the inspection bureau (from 80 to 150 a day) the clerk can quickly identify the ones where it has business involved by checking through old cards for the red circle. As old cards so marked are replaced, the red circle is stamped on the replacement cards. The bureau is permitting the stamp on the cards, and is leaving the replaced cards with the agency an extra 24 hours. A good deal of agency time is saved by the plan.

ADJUSTERS MEET FEB. 11

The Adjusters Association of Chicago will hold a luncheon meeting Feb. 11 at the Union League Club. Frank C. McAuliffe, chief of the Chicago Fire Insurance Patrol, will speak. A. B. Kilburg, Cook County Loss Adjustment Bureau, is president of the group.

SPECIAL RISK GROUP ELECTS

The annual meeting of the Western Conference of Special Risk Underwriters was held at the Edgewater Beach Hotel. Will S. Ellis, assistant manager of Royal-Liverpool in Chicago, the retiring chairman, reviewed the year's activities. He referred to the meetings on war damage, and complimented the members on their cooperation in this undertaking. There was no competition between companies. Fiduciary agents conferred freely with each other on all problems irrespective of who controlled the business and, therefore, greater uniformity was maintained in the treatment of war damage problems in W. U. A. territory.

J. F. Lucas of Hartford Fire is the new chairman; P. Eriksen, Underwriters Service Association, is vice-chairman, and E. H. Born, Western Underwriters Association, is secretary.

BUNYAN VISITS CHICAGO

J. C. Bunyan of San Francisco, president of the California and Pacific Coast manager of the Commercial Union group, including the Ocean Accident and Columbia Casualty, was in Chicago the latter part of the week en route home from New York City where he was visiting the New York headquarters.

BIG INSURANCE CLUB TURNOUT

The annual dinner meeting of the Insurance Club of Chicago next Tuesday evening will be held at the Snack Shop at 227 West Jackson boulevard. The dinner will be served promptly at 5:30 with the idea of closing the meeting by 8 o'clock. The speaker will be John R. Peterson, counsel of Continental Casualty, who will talk on "Current Tax and Other Governmental Problems of Insurance." An exceptionally large turnout is expected because of the fact that this is an annual meeting and because of the eminence of the speaker and the timeliness of his subject.

MORE WORK ON U. & O.

Underwriters handling use and occupancy insurance find that there is considerably more work caused, especially

where firms are doing any kind of war work. This is due to new contracts with the government or changes in the machinery of the concern itself. That is, some enterprises are doing both war and private work. The question of priorities arises in such cases. Almost every renewal now has to be reviewed very carefully in view of the changes.

FREEMAN READ CLASS 1

Freeman C. Read, Chicago manager of Royal Exchange and Car & General, has been elected a class 1 member of the Chicago Board succeeding John Bauer, who recently retired as Illinois state agent of Royal Exchange.

CHICAGO BOARD MEETING

The slate of officers recommended by the nominating committee as previously announced was elected at the annual meeting of the Chicago Board. Walter M. Sheldon of W. A. Alexander & Co. is the new president. Chester M. Hayden, vice-president of Glens Falls, made a hit in his witty presentations of gifts to retiring officers. He presented to George Bowman, R. A. Napier & Co., the retiring president, a miniature grandfather clock, stating that the full sized time piece would be delivered to Mr. Bowman's residence. To R. A. Parker, the retiring manager, who is now solely manager of the Cook County Inspection Bureau, there was presented a watch and to W. H. Potter, Jr., manager of Phoenix of Hartford, retiring treasurer, a flycasting rod and other equipment.

Mr. Bowman in his presidential address touched only briefly on the suit of two brokers against the Chicago Board stating that the matter was in the hands of the special committee and the attorneys.

Great American Field Shifts

Great American has transferred John H. Thetford, Jr., from northeast Pennsylvania to west central New York to succeed Ralph H. Dryer, special agent in that territory, who has entered the service. Mr. Thetford will have his offices in the Union Trust Building at Rochester.

Harry A. Marsh has been assigned to the northeastern Pennsylvania area, with headquarters at 110 South Fourth street, Philadelphia. Mr. Marsh, who recently joined Great American, formerly traveled in that territory.

\$150,000 Chicago Warehouse Fire

Fire practically destroyed the building and contents at 438 North Ashland avenue, Chicago, the Balaban & Katz warehouse. There was \$100,000 insurance on building, with loss almost total; \$50,000 on contents, estimated total.

The building housed motion picture sound equipment for the Balaban & Katz chain of theaters in Chicago, candy, scenery, and other miscellaneous supplies. The fire developed so much heat it burned through several fire doors. Origin was undetermined.

Western Adjustment is handling the estimates of loss for the Fire Companies' Adjustment Bureau in the east, and Wagner & Glidden's Chicago office is handling for the eastern office of that firm. The business was placed in the east.

Frolen Joins Dargan & Co.

G. S. Frolen, formerly at the head office of the Fire Companies' Adjustment Bureau, has joined Dargan & Co., independent adjusting firm, and will make his headquarters at New York. He will assist in administration and adjustment of losses in the five branch offices of Dargan & Co. in the U. S. and Latin America. Mr. Frolen, a native of Sweden, studied shipping and insurance in England, coming to the United States as a young man. He was secretary and personal assistant to the late Joseph J. Windle, prominent insurance adjuster.

Mo. Ruling Prohibits Term Financing of PPF

Superintendent Scheufler of Missouri has reiterated his departmental order that all premiums for fire, marine, and allied lines, including the personal property floater, must be collected for the full term either in cash or by a bona fide note bearing not less than 6 percent interest. This means that the deferred payment plan set up under the personal property floater as recently revised by the Inland Marine Underwriters Association cannot be used in Missouri.

A few of the companies have finance arrangements under which the floater and other lines can be financed to meet the Missouri ruling, and presumably can do it on the floater as revised. Most of the larger companies, however, say they have little call for financing the floater form. The theory of the Missouri ruling is that payment for a three year policy on an annual premium arrangement is in effect rebating in violation of the state law unless secured by notes.

Ohio has a similar ruling, and several other of the states have interpreted the statutes with respect to rebating as violated in circumstances of this kind.

Harrington for 60 Day Delay in Filing Statements

BOSTON—The insurance committee of the Massachusetts legislature heard no opposition when Commissioner Harrington appeared in support of his bill to allow him to extend for 60 days, during "the duration" the time of filing annual statements and also to exempt the companies from filing such parts of their annual statements as in his judgment may be temporarily discontinued. The commissioner explained that the failure of the state to get blanks printed until Feb. 1 and the lack of manpower in the offices of the companies would mean the filing of incomplete and inadequate data by the companies through no fault of theirs, which would add to the work of his department in making corrections.

G. M. Easley Takes Son's Place

DALLAS—George M. Easley resigned from Cravens, Dargan & Company as of Jan. 25 to be correspondent for Texas and Louisiana for the companies represented by William H. McGee & Company, replacing his son Gilbert, now lieutenant in the navy and will maintain his office in Dallas.

Birmingham Adds to Capital

Birmingham Fire of Pennsylvania has increased its capital \$500,000 to \$1,000,000. Additional funds have been added to surplus, bringing this item to more than \$1,000,000. Birmingham is an affiliate of National Union Fire.

Adam Manager at Boston

Central Manufacturers' Mutual of Van Wert, O., has appointed John Adam manager of the Boston office. He has been traveling for the company since 1940 in the Atlantic coast region. He formerly was with Glens Falls at the home office and as manager of the inland marine department in New York.

P. J. V. McKian Gravely Ill

P. J. V. McKian of the fire prevention department of the Western Actuarial Bureau, is gravely ill at his home in Chicago. He has been confined to bed about three weeks. Last April he suffered several broken ribs in an accident but returned to the office in September, although in frail condition.

William Arnold, manager of the Employers group at Buffalo, N. Y., who has been commissioned lieutenant (j. g.) in the navy, was honored at a special meeting of the Casualty & Surety Club of Buffalo. Mr. Arnold, the first company manager in the Buffalo territory to enter service, was presented a silver identification tag and chain.

Late Casualty News

Move to Regulate

W. Va. Hospital Insurers

CHARLESTON, W. VA.—The West Virginia department is sponsoring legislation that has been introduced in both houses to regulate and supervise hospital service corporations and medical expense indemnity. The proposed measure is an exact copy of the New York law with certain additions. There is a section requiring the officials and certain other employees of these service companies to furnish bond in the amount specified by their directors and approved by the insurance department. There is also a section providing that the medical expense indemnity included in any subscriber contract shall be subject to the supervision of the medical profession. It is also specified that these corporations will not be subject to taxation and there is provided an accounting period at the end of each month whereby the hospitals and the service corporations agree to make even all bills for services rendered to subscribers for the previous month. In this way the corporation is required to pay all bills every month received from hospitals and if funds are not available to pay bills 100 percent then the hospitals will necessarily agree to a pro rata revision of such bills for services. The idea is that the corporation cannot ever become insolvent unless through a lack of proper supervision the corporation is permitted to be lax in such requirement.

The majority of the medical fraternity throughout the state is believed to be supporting the measure. Earlier the legislative committee of the state medical association had declined to give its support.

At present the pre-payment hospital plans are not subject to any statutory controls. Among the hospital associations now operating in West Virginia are:

Associated Hospitals, Bluefield; Central West Virginia Hospital Service, Weston; Hospital Association of Kentucky & West Virginia, Williamson; Hospital Service, Charleston; Huntington Hospital Service, Huntington; Marion County Hospital Service, Fairmont; Monongahela Valley Hospital Service, Clarksburg; Parkersburg Hospital Service, Parkersburg, and Parkersburg & Morgantown Hospital Service, Morgantown.

Ill. Bill for State W. C.

A bill to provide a monopolistic state insurance fund for writing workmen's compensation has been introduced in the Illinois legislature, backed by the Illinois Federation of Labor. A similar bill has been introduced in several past sessions. Another bill supported by labor would give the Illinois insurance department supervision over workmen's compensation rates.

Beemer Moved to Philadelphia

Edward K. Beemer, casualty field assistant of Travelers at Reading, is being transferred to Philadelphia in the same capacity.

Harry E. Walsh, manager of the claim department of New Amsterdam Casualty and United States Casualty in Chicago, is at Alexian Brothers hospital with a broken right leg due to a fall on the ice.

L. C. Owrey, 59, manager of the Fire Companies' Adjustment Bureau at Baltimore, died there after several months' illness. After a period with the Board of Fire Underwriters of Allegheny County, and then the James W. Arrott & Co. and W. J. Tener & Co., Pittsburgh agencies, he became special agent in Pennsylvania for National Union Fire. He joined the General Adjustment Bureau in 1911, first in New York and then in the Philadelphia and Harrisburg offices. In 1919 he became manager of the West Virginia department and in 1926 was named manager at Baltimore, supervising Maryland, West Virginia and Delaware.

INSURANCE ACCOUNTANT

This man is 42 with 11 years' insurance experience—10 years with one company as accountant and office manager.

FERGASON PERSONNEL

Insurance Personnel Specialists
166 W. Jackson Chicago, Illinois Harrison 9040

EDITORIAL COMMENT

The Revolt Against Bureaucracy

In spite of the centralized control that the war has caused in many lines, there have been signs in recent months of an increasingly powerful reaction against needless centralization of authority in Washington. From the onset of the depression until comparatively recently there had been a tendency to regard the trend toward centralization as something that might be hastened by its sponsors or held back somewhat by its opponents but which nevertheless was inescapable and that sooner or later the insurance business would be one of those taken under the all-powerful government's paternalistic wing.

Regardless of their politics practically all insurance men prefer to see insurance supervision continued as the function of the states. Therefore the revolt against the apathetic attitude that encroachment of federal authority is inevitable is particularly pleasing to them.

Governor Bricker of Ohio, widely regarded as an outstanding possibility for the next Republican presidential nomination, recently spoke out strongly against bureaucracy, calling for a curb on the many agencies that make their own rules. He quoted Roscoe Pound, dean emeritus of Harvard law school, to the effect that these agencies have brought six evil tendencies: to decide matters without hearings, to make decisions on the basis of private consultations or reports, to identify one side of

a controversy with the public interest and to decide on that basis, to set up administrative policies at odds with the law, to confuse facts and law, and to delegate decisions to underlings.

Governor Bricker declared that the growth of bureaucracy means an ever-increasing control by government over the citizen, his job, his business, his economic welfare, further centralization of power in the federal government and the weakening of state and local authority and finally the complete breakdown of representative government.

As far as federal supervision of insurance is concerned it is no argument to say, as some advocates of it have contended, that at the time of the Paul vs. Virginia decision many insurance men wanted their business to be considered as interstate commerce and hence under the federal government's regulatory powers. That was before the state insurance departments generally had developed to a high degree what is now known in war production circles as the "know-how." The current system of supervision by the various states has its faults and is unavoidably cumbersome but in addition to the fundamental soundness of a system which is well supplied with checks and balances the "know-how" has been developed to a high degree. Furthermore, the very eagerness of centralized government to extend its authority is a large reason for questioning its desirability.

Over-writing or Over-riding?

THE NATIONAL UNDERWRITER has been asked as to which is the proper term "over-writing" or "over-riding" in connection with the common practice of a supervisory office of paying a commission to a producer and withholding a margin for the underwriting and general expense. So far as Webster's Dictionary is concerned, "over-write" is the proper term. In defining this word Webster says, "to agree to pay or to pay to (a general agent, jobber, etc.), a commission (over-write) on sales made by a subordinate agent, local salesman, etc." In speaking of "over-riding," Webster does not apply it specifically to insurance or an allied business where the term might be employed but the dictionary states it is a colloquial expression. In general parlance the two words are used synonymously. Custom, therefore, has made both correct.

Some time ago one of THE NATIONAL UNDERWRITER staff looked into the subject. He felt that stenographers are accustomed to use "over-writing" because they think it has some connection with "underwriting." He opined that a number of employers really do not know the difference between the words. He said in connection with the question:

"Historically the origin of 'over-riding' is given in the Standard dictionary, by Funk & Wagnalls. One of the definitions on over-riding is as follows: 'Over-riding commissions (insur.) The commission paid by a company to a general agent beyond that paid by the latter to some agents or brokers.' The dictionary adds that the term 'over-riding' is also used interchangeably, but over-riding seems preferred in the insurance world. The reason it is preferred is that over-riding is description of what the speaker

means, while 'over-writing' is mere confusion.

"I was pleased to see that in trades where 'underwriting' does not lead the stenographers astray on 'over-riding,' the logical term over-riding is still used in business like dry goods, or similar goods, where the jobber gets an 'over-riding' commission over the broker. I saw this properly used in the dry goods

trade quite recently. It struck my mind because I am rather vexed when the word is misused."

It would seem, therefore, that the lexicographers themselves do not agree as to this terminology and therefore THE NATIONAL UNDERWRITER believes that either term can be used and it will be counted correct and proper. Therefore each person can make his choice.

PERSONAL SIDE OF THE BUSINESS

E. R. Wetmore, Chicago class 1 agent, Feb. 4 is celebrating his 80th birthday anniversary. Mr. Wetmore is the only surviving partner in the Munger, Vokoun, Wetmore & Witherbee agency, but he has continued the name. Except for two years, he has been continuously in the insurance business since 1884. In the early days, he recalls, there was of course no automobile business, use and occupancy, or compensation. One of the big changes in that period has been the growth of company groups so that there is not now, as there used to be, a great deal of trading back and forth to secure capacity. There have been many mechanical changes in the way of doing business. However, one fundamental continues to be personal acquaintance and friendship. These are basic in the business. Mr. Wetmore's agency is Cook county general agent for New York Underwriters and Scottish Union & National. In addition it represents some of the casualty companies.

Ed H. Moore, president of the Alabama Association of Insurance Agents and a director of the National association, is in a Birmingham hospital with pneumonia. Last reports are that he has passed the crisis and is on the way to recovery. Mr. Moore has long been active in association affairs.

Thomas C. Little, Iowa state agent of Fireman's Fund, is reported as recovering nicely from his recent major operation. He is now at his home and expects to resume his duties within the next few weeks.

Thomas Kingsley, Jr., manager of Travelers Fire for St. Louis, soon will become a member of the "gallon" club. On Feb. 5, he will visit the Red Cross blood donor service for his eighth donation. His first pint was given the first day the service opened, Dec. 10, 1941. He has been active in getting others to contribute blood.

E. C. McAuliffe, who resigned as Philadelphia manager of Corroon & Reynolds, is making a trip through Mexico.

W. C. Cadwallader, Owosso, Mich., agent, last week celebrated his 40th year in business there. He set up a law office at Owosso in 1903, but to help meet expenses also began writing insurance. Four years later Mr. Cadwallader dropped his law work and became a special traveling agent of Phoenix of Hartford, a post he held for 12 years. Then he became a local agent. In the period 1903-1920, Mr. Cadwallader bought 10 Owosso local agencies and combined

them with his office. He operated alone for 34 years but Jan. 1, 1937, took as partners his son-in-law J. W. Hahn, and R. A. Lord, who had been in the business there for 20 years.

Harry Gegenbach, Chicago manager of Talbot, Bird & Co., Universal and Universal Indemnity, was at the home office in New York City for a few days.

L. B. Burt, Preferred Fire, Topeka, is now a grandfather. His granddaughter, named Sarah K. Stuart, was born at Ogden, Utah.

A. B. Keith, Hiawatha, Kans., local agent, is now serving his second term as representative in the legislature. **S. B. Warren**, Warren Insurance Agency, Emporia, is serving his first term as state senator.

Fred N. Strudwick, former Virginia state agent of Century Fire, has been appointed federal inspector of airplane factories with headquarters in Cincinnati.

DEATHS

Harry N. Shellenberger, 59, president-treasurer of the Bennett-Shellenberger Realty Co. agency, Colorado Springs, died there. He had been prominent in the insurance business for 32 years. C. P. Bennett, senior member of the firm, died a few months ago.

Alvin T. Fleishman, 53, of Fenster Brothers & Fleishman, died in Albany. In 1909 he went to Albany from Buffalo and two years later joined Philip W. Fenster in the insurance business.

Melvin Barclay, 62, of Columbus, O., special agent of Home, died suddenly from a heart attack in a physician's office in Thornville, O. He had become ill and had gone there for treatment. Mr. Barclay had been with the company 20 years. He was a native of Louisville and went to Columbus from Wytheville, Va.

H. J. Gochenour of the H. J. & N. C. Gochenour agency at Vandalia, Ill., died Jan. 14. He was born at Van Burenburg, Ill., Aug. 17, 1863. When he was a child his parents moved to Vandalia. Shortly after his graduation from the Vandalia high school he received the appointment as cadet in the U. S. Military Academy at West Point. On his return to Vandalia he was the organizer of the first militia company in that city. In the Kansas boom days he went to Garden City, Kan., where he was cashier of a bank. Later he became cashier of

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SAN FRANCISCO OFFICE—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor. Act. March 3, 1879.

a bank at Lamar, Colo. He was elected the first county clerk of Prowers county, Colo.

Subsequently he went to Springfield, Ill., and was employed in the state auditor's office and also in the insurance department. He formed a partnership with his father under the name of John Gochenour & Son in 1898 in Vandalia. This firm was succeeded by that of Gochenour & Dieckmann, which had been established in 1874. On the death of his father the present partnership was formed in 1905. N. C. Gochenour, the partner, is a brother. H. J. was an elder in the Presbyterian Church since 1905, succeeding his father.

William L. Pierce, Jr., Norfolk, Va., local agent, was killed when struck by an automobile there. He was formerly associated in the local agency business with his father, Maj. William L. Pierce of Christiansburg, Va. who is celebrating completion of fifty years in the insurance business in that town. Subsequently, he was a field supervisor in Virginia for the casualty division of Aetna Life before establishing a local agency in Norfolk several years ago.

Frank H. Young, 76, veteran field man of Springfield Fire & Marine, died in Berkeley, Cal. He had covered the San Joaquin valley for the Springfield companies since 1906 until his retirement in 1937.

John H. Henderson, nearly 70, veteran agent at Iola, Kan., died there.

W. J. Byerly, Winston-Salem, N. C., who headed the agency of W. J. Byerly, Inc., died there.

Gordon S. Scott, 82, Ocala, Fla., died there after a long illness. He was the founder of the G. S. Scott & Son agency, and was one of the organizers of the Florida Insurance Agents Association.

Miss Leta M. Moore, 41, office manager of the Spear & Shearer agency, Bay City, Mich., died there.

William Stedler, vice-president and sales promotion manager "The Weekly Underwriter," died unexpectedly Tuesday at his home in Ridgewood, L. I. He was 58 years old and had been in the insurance newspaper business since 1907, when he joined the Spectator Company as a clerk. After having been a traveling representative for the previous six years, he resigned in 1920 to become eastern advertising representative of the "Insurance Field" and in 1935 became its resident vice-president at New York. He resigned in 1940 to go with "The Weekly Underwriter." He was widely known throughout the insurance business for his genial hospitality.

Mr. Stedler was at his office as usual all day Monday. Tuesday, just after breakfast, he complained to Mrs. Stedler that he did not feel well and expired before she could get him a glass of water.

He is survived by his wife and daughter. Mr. Stedler suffered a severe shock in 1940 when his only son, A. W. Stedler, who was with the Home's reinsurance department, died after a brief illness.

Theodore Wagner, who formerly was an underwriter in the automobile department of the Chicago service office of North America until about three years ago, when he went into commercial aviation, was co-pilot on the Transcontinental & Western Air transport plane that crashed recently in Dutch Guiana, killing all on board. The plane was being flown in army ferry service.

Adam Luchsinger, 70, local agent at Whitmore, Ia., died in the hospital at Algona. He had been ill for some time.

Theodore Ottum, 55, local agent at McFarland, Wis., died at his home after a long illness.

William P. Hawley, 68, Baldwinville, Mass., local agent, died at his home after a long illness.

Buyer Urges Greater Use of Talent

(CONTINUED FROM PAGE 3)

of the buyer's points of view and a greater voice for those buyers in policy making and rate making procedures; a better educational job on the general public, "not by pamphlets which they don't read, but by men in the field."

"Pick your agents wisely, train them thoroughly, put the emphasis on quality rather than quantity, and point out to them that it is both their duty to the insured and a golden opportunity to themselves, to work with the insured, study his particular problems, give him sound advice and adequate and sensible coverage. Convince him that if he would be more of an adviser and less of a rubber stamp his results, in terms of business written and in terms of the good-will of his customers, would be overwhelming."

National Lloyds Elects Officers and Directors

Directors and officers of National Underwriting Corporation, attorney-in-fact for National Lloyds of Baltimore, elected at the annual meeting last week, are: Wesley S. Hanna, president; Dr. H. Boyd Wylie, vice-president; A. W. Lockard, secretary-treasurer, and Philip Stoller, assistant treasurer; and T. W. Garrett, Jr., Kansas City; Col. Allan Rutherford and Dr. Albert L. Wilkinson. Messrs Wylie, Lockard, Rutherford and Wilkinson are members of the executive committee of the underwriters at National Lloyds.

These men have been interested in National Lloyds for a number of years. Mr. Hanna is a former Maryland commissioner. The members of the executive committee of National Lloyds and some of their friends were the purchasers of the stock formerly owned by T. W. Garrett of Kansas City, which holding represented control of the National Underwriting Corporation. Mr. Garrett only recently disposed of a substantial portion of his stock holdings in the company.

There has been no change in the officers of National Underwriting Corporation since November, 1942.

Returns to Miami Bureau

W. Guy Lane of Miami, has returned to the Florida Inspection Bureau in the district office there after having been in the local business for the last three years. For 15 years previous he was connected with the rating bureau.

Noel G. Wood, special agent of Aetna Casualty in Milwaukee, has been commissioned second lieutenant in the army.

Christmas is every day!

That statement is true, even though we don't think of it that way most times. Christmas lasts all year 'round, because things we receive are with us as a reminder.

That's why February is a good month to sell Personal Insurance. Gifts are still *new* and still are matters of pride to their owners. What's more, their owners have learned their usefulness and value. By the time February rolls around, your clients will realize the value of protecting personal effects.

It's the plan of every Alliance Agent to organize his sales along lines of least resistance . . . and greatest usefulness.



THE ALLIANCE INSURANCE CO of PHILADELPHIA

1600 Arch Street

Philadelphia

Service Offices located in principal cities. Complete nation-wide insurance facilities for Agents and Brokers.

WANT ADS

R. B. JONES & SONS, INC.

We have an opening in our Kansas City, Missouri Office for Manager of our Casualty Department. This position offers attractive salary and rapid promotion to man with right qualifications. Must be experienced in underwriting and assisting brokers in all casualty lines. Write our Office, 301 West 11th, giving full details of qualifications, salary desired and draft status.

WANTED

Fire insurance engineer having experience on sprinkled and unsprinkled industrial plants; by nation wide insurance brokers. State age, experience, etc. Will treat confidential. Address Box R-31, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

WANTED

FIRE COUNTER MAN FOR CHICAGO AGENCY Give age, past underwriting experience, salary, draft status and any other information helpful toward selecting proper man. Splendid opportunity. All replies treated confidentially. Our employees know of this advertisement. Address R-33, care The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON, President

Condensed Statement as of December 31, 1942

ASSETS

CASH IN BANKS AND ON HAND.....	\$ 3,904,573.48
BONDS, AMORTIZED VALUE	
United States Government.....	\$ 6,411,953.69
Canadian Government (Statutory Deposit in Canada).....	363,791.42
State, County and Municipal.....	7,924,973.18
Industrial	50,016.28
TOTAL BONDS	\$14,750,734.57
STOCKS, CONVENTION VALUE.....	2,438,437.12
TOTAL BONDS AND STOCKS.....	17,189,171.69
MORTGAGE LOANS	358,974.55
REAL ESTATE	106,000.00
PREMIUMS IN COURSE OF COLLECTION (UNDER 90 DAYS).....	775,020.98
INTEREST ACCRUED	128,804.36
TOTAL ADMITTED ASSETS.....	\$22,462,545.06

LIABILITIES

LOSS RESERVE: Liability and Compensation (Schedule P Basis).....	\$ 6,482,186.42
LOSS RESERVE: Other Classes, Including Investigation Expense..	1,343,921.00
TOTAL LOSS RESERVE.....	\$ 7,826,107.42
RESERVE FOR UNEARNED PREMIUMS.....	4,844,227.09
COMMISSIONS ACCRUED ON PREMIUMS.....	339,783.38
RESERVE FOR CONTINGENT COMMISSIONS.....	438,004.10
RESERVE FOR MISCELLANEOUS BILLS.....	10,000.00
RESERVE FOR STATE AND FEDERAL TAXES.....	717,558.56
FUNDS HELD UNDER REINSURANCE TREATIES.....	476,616.51
VOLUNTARY SPECIAL RESERVE.....	\$ 1,810,248.00
CAPITAL	2,000,000.00
SURPLUS	4,000,000.00
POLICYHOLDERS SURPLUS	7,810,248.00
TOTAL	\$22,462,545.06

On the basis of December 31, 1942, market quotations for all bonds and stocks owned.
 Total Admitted Assets would be increased to.....\$22,996,735.69
 Voluntary Special Reserve would be increased to..... 2,344,438.63
 Securities carried at \$1,305,549.79 in the above statement are deposited for purposes required by law.

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KANSAS CITY, MISSOURI

BRANCH OFFICES
NEW YORK • CHICAGO • LOS ANGELES • SAN FRANCISCO

The NATIONAL UNDERWRITER

February 4, 1943

CASUALTY AND SURETY SECTION

Page Seventeen

Hartford Steam Boiler Brings Out New Manual

Rates Reduced — Commission Gradation Removed — Many Other Changes

Hartford Steam Boiler, having withdrawn from the boiler and machinery division of the National Bureau of Casualty & Surety Underwriters, has now brought out a manual of its own under which the rates in general are well below those provided in the manual of May 18, 1942, and at a good many points appear to be lower even than the manual that was in effect prior to May 18. Also, the Hartford manual contains capital changes in rating and underwriting practices. The new manual became effective Monday of this week.

The gradation of commission plan that was introduced in the May 18 manual has been eliminated by Hartford Steam Boiler and instead there is provided a system of rate discounts according to size of premium without any reduction in the commission percentage applicable to the premium, ex-discount. Hartford Steam Boiler calls this arrangement "premium zone discount." For premiums up to \$3,000 there is no discount; for premiums between \$3,000 and \$10,000 there is a discount of 5 percent; \$10,000 to \$30,000, 10 percent and above \$30,000, 15 percent.

Boiler Coverage Broadened

The assured is given the option of paying an extra premium and getting "broad" coverage for steel boilers. There has been introduced into the basic definition of "accident" the sudden and accidental bulging, burning or cracking of insured boilers. This coverage is primarily designed to take care of losses resulting from over-heating. It has previously not been obtainable. The broad coverage may be added to policies that are now in effect. Essentially the same broad coverage may also be obtained for all types of boilers and pressure vessels.

May Rewrite Present Contracts

Also, for the first time, Hartford Steam Boiler is permitting the writing of both boiler and machinery coverage under a single policy. In the past separate contracts had to be issued. Writing both under one policy will usually produce a lower premium. The assured gets a single policy and there is a reduction in the labor and records of the insurer. A possible disadvantage is that there is one limit per accident applicable to concurrent accidents to boilers and machinery. However, the assured can increase the limit per policy and this can usually be done without increasing the premium beyond what the premium would be if boiler and machinery were written under separate contracts.

Outstanding boiler and machinery policies may be canceled and rewritten under a single contract. On machinery

Decision Shows Need of Completed Operations Cover

The importance of completed operations or products liability protection is strikingly illustrated in the decision of the U. S. Circuit Court of Appeals for the Eighth Circuit in favor of Standard Accident and against an assured whose liability policy covered occurrences upon the premises of the assured and those happening during but not after installation elsewhere.

Hubert Roberts of Fort Smith, Ark., was the insured. He sold to and installed in the residence of Clyde Primm of Ozark, Ark., a gas operated refrigerator. That night Primm and members of his family were injured by gas escaping from the refrigerator connections. Grimm recovered judgment against Roberts.

Among other things Roberts claimed Standard Accident was liable because it had assumed control of the investigation and damage suit against Roberts. The lower court held for the assured on this ground but the higher court decided that the law of Arkansas denies extension of coverage by estoppel to include a coverage expressly excluded in the policy.

Attorneys for Standard Accident were Cecil R. Warner, E. N. Moseman and Harry P. Warner, and for Roberts, D. S. Partain, R. A. Young, Jr., J. E. Yates and Theron Agee.

policies written at rates prior to May 18, boilers and pressure vessels may be added on the basis of the object charges without any modification of the insurance charge for the limit per accident on the machinery policy.

By combining the boiler and machinery coverage, the assured may be paying a premium that will entitle him to a discount under the zone plan.

Under the old manual unfired pressure vessels were divided into four classifications and it was frequently difficult to determine into just which class a particular object fell. Hartford Steam Boiler has created instead three classes. Type 1 are the less hazardous vessels. Type 2 includes those vessels containing certain specified chemicals which are regarded as extra hazardous and the rates are sharply higher than for vessels in type 1, but they are lower than for corresponding risks under the May 18 manual. Type 3 includes vessels that do not fall into either type 1 or 2 and the rates are slightly higher than for vessels in type 1.

Motors were formerly divided into two classifications, one being heavy duty motors and the others falling into the second class. Now Hartford Steam Boiler makes no distinction between the two types of operation.

A scheme has been introduced whereby the renewal and rewriting of existing policies may be accomplished without entirely rewriting the old contract.

A new use and occupancy endorsement has been brought out covering loss on "actual loss sustained" basis. In the past a special form had to be prepared when other than valued form was desired.

The classification of public risks and rated risks has been eliminated. Such risks are now all on a manual basis.

The cast iron boiler index has been enlarged to incorporate all sizes and

Creative Fidelity Selling Needed

Martin Lewis Tells N. J. Group Drop in Statutory Business Expected

The reduction in the volume of available contract bond business this year will make it essential for companies and producers to give more attention to those forms of bonds that can actually be sold and commercial fidelity coverage offers the biggest opportunity in this line. M. W. Lewis, president of the Towner Rating Bureau, told the Surety Underwriters Association of New Jersey. He emphasized the desirability of selling coverages to private enterprises, both now and in the post war period, as against relying too much on business that is bought because it is required by law. At the same time, he said, bonding men should be alert to maintain their position in the compulsory coverage field in preparation for post war demands.

As to the sale of commercial fidelity bonds, Mr. Lewis referred to the large number of new employees in the service of many concerns and said that it is a wartime service to promote the sale of fidelity coverage, for it is essential to the orderly conduct of business and serving the war effort as practically all are doing directly or indirectly. He mentioned the number of companies that are buying fidelity coverage that never had it before, including a 100-year old firm. He pointed out that if fidelity bonds are more generally purchased the experience should improve, making possible lower rates, thereby making the coverage more attractive to additional buyers. Though commissions on fidelity bonds do not run large yet they renew readily and once the business is on the books approximately 90 percent of it renews almost automatically.

Bonding of tax collectors in New Jersey is showing an improved loss ratio, Mr. Lewis said, but there is still opportunity for further improvement. Credit should go to the state authorities who are doing a good job with the limited facilities at their disposal. Though the state board has a limited number of auditors it has, by educational work and spot checking, kept the collectors on their toes.

Deposit Bills in Arizona

Casualty companies are disturbed by bills governing deposits under consideration in Arizona. One bill would require insurance companies to deposit with the state 76 percent of 65 percent of gross annual premiums for occupational disease coverage. Another would require the deposit of reserves plus a flat amount with a maximum of \$200,000 to pay for adjudicated awards of the industrial commission.

models of cast iron boilers. This, Hartford Steam Boiler believes, will facilitate the rating by eliminating the necessity of securing dimensions on such a large number of objects.

Surcharges for obsolete and semi-obsolete boilers have been removed and the special surcharges for boilers and pressure vessels in Omaha and New Orleans have been eliminated.

(CONTINUED ON LAST PAGE)

Expect Action on Commercial Car Rates Soon

Mutual, Stock Groups Have Joint Session in N. Y. Thursday

NEW YORK—A joint meeting of stock company and mutual representatives is being held here Thursday in an effort to reach a final agreement on the rate reductions to be applied to commercial vehicles of classes 4 and 5. The two groups have been holding separate meetings but this will be the first joint meeting on the subject. It is understood that the mutual group is advocating a reduction of 20 percent for public liability and 10 percent for property damage rates but that the stock group favors a somewhat smaller reduction. It is understood that there is no suggestion that the rates for cars in classes 1, 2 and 3 be reduced.

Action Was Postponed

Action on commercial car rates was not taken at the same time that passenger car rates were reduced on the theory that the Office of Defense Transportation would promulgate before the end of the year 1942 comprehensive regulations affecting commercial cars but the ODT has not done so and the insurance companies decided that they should delay making the rate reductions no longer.

General Manager William Leslie of the National Bureau of Casualty & Surety Underwriters has called a meeting of chief executives of bureau companies and New York state service subscribers for Friday to consider the commercial automobile liability rate situation.

The stock company committee of five which handled the private passenger rate question will meet with representatives of the Mutual Casualty Rating Bureau Feb. 4 and the recommendations of the committee of five will be submitted to the meeting the next day.

Extension of Underwriting Powers Sought in Cal.

SAN FRANCISCO—The bill introduced in the California assembly permitting companies with sufficient resources to write other lines except life than for which they are licensed is being sponsored by Fidelity & Deposit. L. W. Cutler, F. & D., vice-president, said the measure is in tune with the times and would extend coverage at a minimum cost.

F. & D. is writing personal property floaters in Maryland and several other eastern states and it is anticipated that it seeks to write this coverage in California.

A bill to bar accident suits by non-pay guest riders in automobiles has been introduced in the Georgia legislature.

Making Rates Equitable Is Hard

E. W. Sawyer Tells Buyers Problems Involved in Making Refinements

One of the points that was discussed by E. W. Sawyer in his talk before the meeting of the Risk Research Institute was the problem in rate making of producing equitable results.

However it is done, Mr. Sawyer, who is attorney for the National Bureau of Casualty & Surety Underwriters, declared classification of assured cannot be sufficiently refined to establish complete equity because no two insured have identical hazards. The classification system is frequently supplemented by merit rating plans.

The process of establishing equity is complicated by the necessity of balancing, that is, the aggregate amount necessary for losses must not be reduced. Every reduction from the average must be compensated by an increase.

Rates have to be adjusted to establish reasonable equity, otherwise some assured would be charged more than their proper portions of the losses and others less. Those who contributed less than their proper shares would continue to insure at the average rates. Those who contributed more would try to get insurance at lower rates. If an insurer should lose the more desirable customers in this way and retain the less desirable, it would suffer an underwriting loss.

Rate Controlled States

In rate controlled states all insurers must use the filed rates and the problem of competition is narrowed to that based upon such differences as exist in the filed rates. In open states competition in cost is keen and unlimited. Bureau members usually try to observe the rules and rates of the bureau yet they must have methods of meeting competition from non-members. Otherwise the more desirable business would flow to the non-members. Because rates cannot be refined sufficiently to prevent some averaging of good and poor assured, the result would be inadequacy of the bureau rates.

Mr. Sawyer said that for some unaccountable reason there is a feeling that bureau members should not be permitted to depart from the bureau's rates even though non-member insurers may use any rates they choose. In open states the only basis upon which any insurer can fix its rates is on experience collected by a bureau. All companies use bureau rates at least for advisory purposes. It is illogical to believe that insurers voluntarily assuming the cost of maintenance of the bureau should make rates where they are not required to do so and not be allowed to meet competition from those companies that assume no such obligation. If such reasoning should prevail, he said, the bureau could continue to make rates for such states but only for the information of members leaving the members free to compete on the same basis as non-members but with the advantage and knowledge of indicated rates.

Bargar on Western Trip

H. Hardesty Bargar, superintendent of agents of Eureka Casualty, Philadelphia, is spending two weeks in Ohio with M. Harold Rubin of Columbus, state supervisor. Later Mr. Bargar will go to Michigan and Kentucky. Application has been made for admission to those states. He also expects to spend some time in Indiana, as the company has established an agency in Indianapolis and is developing its business in Indiana.

C. J. Sanders, manager of Parke-Stetchem of Chicago, broke his left arm in a skating accident.

Asks Insurance to Protect Ride Sharing Workers

ROCHESTER, N. Y.—The death of five war workers who were driving to the plant of the Rochester Products Division of General Motors when their car crashed with a Greyhound bus near Spencerport, N. Y., has prompted H. S. W. MacFarlin, Monroe county war transportation administrator, to demand a federal and state clarification of the liabilities involved under the group ride sharing program.

Mr. MacFarlin said this accident accents a question which has delayed promulgation by his office of the share-the-ride program. He said that he has not been satisfied as to the liability or proper insurance coverage under such circumstances. He said the only ruling that his office had received is that group riding does not void a policy on a private car that under other circumstances could not be used for hire. "It has been our contention," he said, "that every driver of a ride sharing car should carry sufficient insurance to cover all participants in the plan."

The question arises as to whether the state or federal government should assume any liability when they encourage the ride sharing program. He expressed the belief that there should be an agency to get evidence that all passengers are fully protected by insurance. The five who were killed were residents of Brockport, N. Y.

Two Kemper Companies Attain New Records

Lumbermens Mutual Casualty surpassed in 1942 the all time record in premium income established in 1941.

For the 30th consecutive year since its organization, Lumbermens has had an annual increase in premiums written and also in assets, in surplus and in dividends to policyholders.

Premiums were \$37,028,128 as compared to \$34,498,367 in 1941.

American Motorists also had the largest volume of premiums in its history, with a total of \$11,144,782 compared to \$8,180,880 in 1941.

In spite of rationing and reduced rates both Lumbermens and American Motorists handled a larger volume of automobile insurance in 1942 than in 1941.

American Motorists doubled its holding of government issues from \$3,700,000 to \$8,200,000 and Lumbermens increased its holdings by \$10,561,000 to a total of \$34,000,000.

Both companies showed a reduction in expense and loss ratios.

Oakley at 50-Year Mark

NEW YORK—Alonzo Gore Oakley, vice-president and director of United States Fidelity & Guaranty and head of the New York office, is observing his 50th year in the business and his 45th year of service with the company. He has the longest service record of anyone in the company, dating from the opening of its greater New York office.

Starting with American Surety as a messenger boy and later becoming a solicitor of court bonds, Mr. Oakley joined United States Fidelity & Guaranty four years later as a solicitor of court bonds. He was successively appointed associate manager, manager, and vice-president. He has been a director more than 20 years. At the time he joined the company, it was only two years old.

Mr. Oakley's office was filled with flowers sent by friends and associates.

K. H. Wood, assistant manager, recently observed his 35th anniversary in the business. Both Mr. Oakley and Mr. Wood were tendered a luncheon by their associates at the Bankers Club.

Sayer Assails National Rating Proposals

Globe Indemnity and American Mutual Liability were elected members of the governing committee of the Compensation Insurance Rating Board of New York at the annual meeting. They succeed Fidelity & Casualty and Liberty Mutual.

Henry D. Sayer, general manager, in his report, assailed proposals for a national rating program that would affect the compensation rating system in New York. Whenever the statute demands that rates be both adequate and reasonable, he asserted, there can be but one rate. The determination of that rate by the New York Board is kept at all times in the public interest by the official supervision of the state. By that method the public interest is served and public confidence maintained. "In the light of adequate and efficient state supervision," he declared, "there would seem to be no place for those who, to advance some fancied interest or unproven theory, would seek the integration of our insurance system with a larger experimental national program."

Minnesota Commissioner Seeks Broader Powers

ST. PAUL—Bills drafted by the Minnesota insurance department were presented to the insurance committee of the house by Commissioner Johnson and Richard Purcell, deputy commissioner. The committee agreed to sponsor all except one which will be given further consideration. The latter gives the commissioner authority to make rules and regulations for the enforcement of state laws, a power which the courts have ruled he does not now have.

This bill is believed to be the outgrowth of the recent effort of Commissioner Johnson to stamp out the writing of fictitious fleet automobile policies. The court held he had no authority to issue certain rulings he made.

The other bills would: Limit the time in which companies can make an audit to determine the premium in workmen's compensation and like policies. The present law fixes no time limit.

Amend the Minnesota standard policy to eliminate the exclusion of liability of the companies from loss caused by foreign enemies and invasion. Commissioner Johnson said Minnesota is about the only state with such exclusion.

Relieve an employer from paying license fee to provide hospital and sickness benefits for his employees when he buys coverage through a licensed insurance company.

Permit insurance companies to amend their charters to make them perpetual; most of them now expire in 30 years and companies often neglect to renew them, requiring special legislation.

Put domestic and foreign insurance companies on an equal basis as far as taxing personal property is concerned. Present law exempts domestic companies from a tax on their personal property while imposing such a tax on foreign companies. Courts have indicated this is unconstitutional.

The expected battle over compulsory automobile liability insurance got under way in the Minnesota legislature with an informal discussion at a meeting of the judiciary committee even before the bill was actually presented. A group of lawyers is back of this bill which has the endorsement of the Minnesota bar association. Meantime the Minnesota State Automobile Association introduced its bill for a stronger financial responsibility act to correct weaknesses in the present law.

Big Crowd for K. C. Skit

KANSAS CITY—More than 120 agents and supervisors attended the meeting of the Casualty & Surety Underwriters Association here. A 30 minute sales session was produced and di-

Form Joint Group on Aviation Insurance Matters

NEW YORK—An advisory committee to consider aviation matters has been set up by the Association of Casualty & Surety Executives, its members being Aetna Casualty representing U. S. Aviation Underwriters; Fidelity & Casualty, for Associated Aviation Underwriters; London Guarantee, to represent the Aero Insurance Underwriters, and Employers Liability.

The three aviation groups approached the association with the idea of establishing working arrangements so that matters affecting their common interest could be handled with the least possible confusion. They suggested that an aviation committee be established to function in cooperation with the three groups. J. Dewey Dorsett, manager casualty department, was authorized to set up an advisory committee for this purpose, the first three members to be representatives of their respective aviation groups, and any other members to be appointed at Mr. Dorsett's discretion.

In this way steps are being taken for postwar expansion of civilian aviation. The casualty insurance industry is looking ahead to see to it that there is available every kind of insurance aviation will need.

H. R. Danford in Post with Conservation Bureau

NEW YORK—H. R. Danford, former director of health, physical education and safety education at Connecticut State Teachers College, has been appointed director of the educational division of the National Conservation Bureau, to succeed K. N. Beadle, now a captain in the army and stationed at Camp Lee, Va.

Mr. Danford holds degrees in education from Ohio University and Boston University. He has taught in public schools in Ohio, Maine and Massachusetts and while associated with the Connecticut college he directed the evening college at Danbury State.

Extended O. D. Bill Now Before Minnesota Solons

ST. PAUL—A bill greatly liberalizing the schedule of occupational diseases under the compensation act has been filed in the Minnesota legislature by an interim committee which claims that the new bill will not greatly increase the cost of insurance. The new bill sets up an examining medical board which will determine whether a disease is occupational and its findings cannot be overruled by the industrial commission unless there has been "inadvertence, fraud or mistake."

J. F. Hayden Surety Speaker

NEW YORK—J. Francis Hayden of Kissam & Hayden, attorneys, will speak on "Inventory Shortages—Fidelity Bonds" at a meeting of the Surety Company Claim Men's Forum Feb. 10. S. F. Maher, Glens Falls Indemnity, will preside.

E. W. Morse, resident manager of Manufacturers Casualty in Chicago, announces the birth of a son at West Suburban hospital, weight 8½ pounds.

rected by O. R. Leeds, branch manager of U. S. F. & G. It consisted of a two-act skit written by R. O. Yocum, U. S. F. & G. In the first act Mr. Yocum portrayed the part of a special agent, with William J. Green, U. S. F. & G., taking the part of the agent. In the second act "Agent" Green and "Special Agent" Yocum called on a local banker, portrayed by Carl Robertson, U. S. F. & G., to sell a personal liability policy.

Tells What R. I. Health Act Provides

I. G. Wessman Reviews Provisions of Compulsory Law, in Washington Talk

WASHINGTON, D. C.—An interesting review of the provisions of the Rhode Island compulsory health insurance act, benefits under which start April 1, was presented before the Greater Washington Association of Accident & Health Underwriters by Irving G. Wessman, supervisor of the general accident and health division of Commercial Casualty and Metropolitan Casualty, who is also vice-president of the Newark Accident & Health Association and assistant chairman for New Jersey of the Insurance Economics Society.

The Rhode Island act, he said, requires compulsory payroll deduction of 1 percent of wages up to \$3,000 annual income. For those earning \$15 a week, it provides benefits of \$10.50 for 15 weeks; \$20 per week, \$13 for 15 weeks; \$30 per week, \$15 for 17 weeks; \$40 and up, \$18 for 20 weeks. This is the total that can be received by any beneficiary regardless of duration of disability. In other words, if an individual is disabled only once in 10 years and then for 10 months, he will still receive benefits for only 15 to 20 weeks. The maximum payment regardless of income is \$18 per week for 20 weeks.

There is a waiting period of one week for both accident and sickness. No payments are made when a person receives workmen's compensation benefits in Rhode Island or in any other state, or benefits under social security or the unemployment compensation law. The law sets aside 1 percent of contributions each year for administration. There are various sections and penalties that only a government body could create, "which make the usual standard provisions of a disability policy look extremely mild, to say the least," Mr. Wessman said. "This plan is nothing but a non-occupational policy written on a compulsory basis at a higher cost to many wage earners of Rhode Island and does not include the usual death benefit, dismemberment, surgical operation fees, etc."

"The low benefits provided are not comparable with the usual limits of private carriers, which provide at the option of the assured benefits up to 80 percent of an individual's income. We all accept the fact that even with our entire wage, a long disability with its attendant additional expense is a hardship for those affected."

Max Schwabe, newly elected congressman from Missouri, who is general agent of General American Life, Columbia, Mo., spoke on "Proper Function of Government in Business," and Purl E. Ansel, Baltimore general agent of Monarch Life, who is president of the Baltimore association and regional chairman of the Insurance Economics Society, on "Purposes and Aims of the Society." Ivan Fuqua, Metropolitan Casualty, president of the Greater Washington association, introduced the speakers.

W. L. Perrin Organization Is at Half Century Mark

NEW YORK—The W. L. Perrin & Son agency and its affiliated agencies, Perrin-Eifert agency and Perrin-Durbrow Life Associates, recently observed the 50th anniversary of the organization founded by the late W. L. Perrin. Mr. Perrin became sole New York representative of Agricultural in 1892, which the agency has continuously represented since. Last year total premiums exceeded \$3,600,000, an all-time high.

In 1909, Mr. Perrin took his son, S. T. Perrin, into partnership and the agency assumed its present name. In 1920, the

Glass Surveys Aid Underwriters in Detroit Area

An increasing number of companies writing plate glass have been taking advantage of the extensive survey service provided in Detroit by the Peterson Glass Company which does an extensive glass replacement business. During the past year Peterson Glass Company has made several thousand new surveys and resurveys of old risks and now has surveys of over 20,000 stores in its file. Each survey shows the history of replacements made by each risk which aids underwriters in evaluating the risks.

Inasmuch as engineering and inspection staffs of companies have lost a large number of men to the armed services, and the expense of making surveys has increased considerably, the Peterson surveys are proving of particular value at this time. J. O. Peterson, head of the Peterson Glass Company, estimates that his organization has saved insurance companies thousands of dollars through its free inspection service. Companies have been very appreciative of the service, one writing Mr. Peterson that his replacement service ranks among the best in the country and that it had asked all its agents in the Detroit area to refer all inspections and breakage replacements to him.

Correct Bad Risks

"We have been able to point out numerous cases where a store front was not fit to insure, due to weak or decayed frames, or other causes which made for bad experience in the past," Mr. Peterson explained. "In most cases the assured or tenant had the necessary corrections made which put the premises in an insurable condition and thereby made a bad risk into a good one. We believe our reports have well paid our customers and ourselves for the time and expense it takes to keep them up. Also, we believe that glass loss ratios in Detroit will be lower than in the past. Some of this lowering of loss ratios is no doubt due to our pointing out bad risks to underwriters."

Globe Indemnity Shows Fine Results

Globe Indemnity's annual statement show assets and reserves at new high levels. Assets total \$45,843,199 and if computed on a market value basis would be \$47,182,678. Capital is \$2,500,000 and net surplus \$7,500,000 with a voluntary reserve for contingencies of \$9,730,347, the combined total of these items being \$19,730,347. On a market value basis this would be \$21,069,826. Net premiums for the year were \$18,840,837, a gain of \$1,184,593. The reserve for claims and claim expenses amounts to \$15,384,864.

Perrin building was erected and Charles Bellingham and G. W. Davis became additional partners with broadening of the agency's service into the casualty, surety, and life fields. S. T. Perrin was first president of the New York Fire Insurance Exchange to be elected from the ranks of agency members. He died in 1941. In 1941 the agency was incorporated with Mr. Bellingham as president.

A new corporation, Perrin-Eifert Agency, Inc., general agents of New Amsterdam Casualty, resulted with the merger of Eifert, French & Co., Inc., a well known uptown fire and casualty agency, with the Perrin organization in 1942. Mr. Bellingham is president and A. F. Eifert is secretary-treasurer.

Present officers of W. L. Perrin & Son, Inc., in addition to Mr. Bellingham are: G. W. Davis, F. A. Grant, Lloyd Vosseller and Mr. Eifert, vice-presidents; Martin Raber, secretary-treasurer, and E. A. Copeland, E. L. Goodwin and J. L. Ullman, assistant secretaries.

Taxicab Insurance Rates to Be Raised Soon in Illinois

The Illinois insurance department is now about completing its review of taxicab insurance rates in the state and there will be an increase of 15 percent graded according to size of the city, experience and quality of the cab. The taxicab loss ratio has increased largely because of older men driving cabs, the larger loads carried and the fact that the cabs remaining are traveling more miles. One of the results of the rating has been that more people will go in one cab to their destination.

Perfect Revamping of Boiler Bureau

NEW YORK—The voting basis in connection with boiler and machinery questions under the new setup for that division in the National Bureau of Casualty & Surety Underwriters has now been formally adopted and provides that each member with \$500,000 or less of boiler and machinery premiums has one vote, those with \$500,000 to \$3,000,000 have two votes and those with \$3,000,000 or more have three votes. At present, several members rate two votes but none qualifies for three.

Under the old setup, under which the boiler and machinery division was virtually an independent organization, each member had one vote except Hartford Steam Boiler, formerly a member, which had three. The old basis also provided that three votes could nullify any proposal, thus enabling Hartford alone to block any action it cared to. The new arrangement provides for the usual bureau arrangement of decision by a majority vote of members present and voting.

At the same meeting which adopted the new voting basis the bureau constitution was altered to repeal the old boiler and machinery division and to set up the new division, which contains a provision that bureau service of the division will be afforded to each company which on March 1, 1930, was a member of the boiler and engineering insurance service bureau and which is not a member of the bureau and that the boiler and machinery division may furnish this service if it votes to do so, to any other company if the company agrees to abide by its rules and regulations, rates, and underwriting practices to the same extent and with the same obligations as is required of a member of the boiler and machinery division. This is the same provision that was in the old article of the constitution covering the division and also provides for a basis of charges.

Platt Southern Cal. Head

LOS ANGELES—The Casualty Association of Southern California has elected these officers: President, Myron N. Platt, Travelers Indemnity; vice-president, Frank Rowley, Globe Indemnity, and secretary, Theodore Michels, Maryland Casualty.

Megrew to Head Mich. Group

DETROIT—The name of H. C. Megrew, assistant manager of Fidelity & Deposit, will be presented by the nominating committee for president of the Surety Association of Michigan at the annual meeting Feb. 5. Others on the slate prepared are Roger Quail for vice-president, John L. Locy, secretary-treasurer; L. C. Minor, T. E. Griffin and Edward Pfalz, executive committee. L. C. Minor, manager American Surety, is retiring president.

A compulsory automobile liability insurance bill has been introduced in the Nebraska legislature.

New Social Security Bill in Senate

Green Measure Provides Total Disability and \$3 Hospital Benefits

U. S. Senator Green of Rhode Island has introduced a bill to expand social security benefits to include permanent and total disability and \$3 a day cash benefits for hospitalization. Apparently this is not the administration measure but it is rumored that the Green bill does have the support of the American Federation of Labor. These two provisions in the Green bill were also included in the Elliot bill that failed of passage at the last session of Congress. However, Senator Green did not include the many other provisions of the Elliot bill such as benefits for temporary disability and extending the act to cover those who are not now covered.

Under the Green bill a person who is incapacitated for six months will be presumed to be permanently disabled and would get benefits at the same rate that he would under the old age pension provision if he were 65.

Although provisions of the Green bill would not seriously compete with the commercial accident and health companies since total and permanent disability is not freely obtainable and hospitalization insurance except on a group basis is not generally profitable to the insurers, yet there is a strong element in the business that is opposed to extending the benefits even to this extent on the theory that it would constitute an entering wedge and would lead eventually to a further socialization of insurance and would tend to create an enormous bureaucracy.

The hospitals and so-called Blue Cross hospital association people are vitally and immediately interested in such proposals. They fear that it would bring about regimentation of the hospitals because it would mean that most of the revenue of the hospitals would come from the federal government and they would be under the thumb of the Washington bureaucracy. Also the hospitals make the point that under such a system they would not have the wherewithal to take care of indigent patients. If hospitals were to receive but \$3 a day from patients they would have no margin, they say, for doing charity work.

W. B. Joyce to Be Feted

NEW YORK—W. B. Joyce, long prominent in the surety business, will be honored at a luncheon Feb. 17 here. Former Superintendent L. H. Pink of New York is head of the committee.

Globe Indemnity Claim Man Promoted to Secretary

J. P. McCormick, new secretary of Globe Indemnity at the home office in New York, joined Royal Indemnity's casualty claim department in 1927. In 1931 he became assistant superintendent of the joint Eagle, Globe and Royal claim department and in 1936 he was made manager when W. H. Galentine, who is now retiring, was made vice-president.

Mr. McCormick has handled the claim department efficiently and his promotion is well deserved.



J. P. McCormick

ACCIDENT AND HEALTH

Monarch Life Has Big A. & H. Year

Accident and health premiums of Monarch Life in 1942 totaled \$3,916,050 compared with \$3,708,073 in 1941. Accident and health claims totaled \$1,611,164 against \$1,658,950. Payments were divided as follows: Accident, \$465,234; sickness, \$1,060,108; accidental death, \$81,729, and specific loss, \$4,091. The accident and health loss ratio on an earned premium basis was 46.14 percent, compared with a five year average of 49.51.

Disability experience in the accident and health division was excellent, President Clyde W. Young stated in his annual report. With the single exception of the Cocoanut Grove Fire, no catastrophe losses were experienced. In that fire, so far as has been determined, the company had three accidental death claims totaling \$13,750 and one life claim totaling \$20,000 including double indemnity. There was reinsurance of \$10,000, so that the net loss was \$23,750.

Mr. Young commented that people in 1942 were much too busy to spend extra time away from work and those who suffered disability recovered more rapidly than normally.

McDowell Suggests Group Producers Concentrate on One Field at a Time

BALTIMORE—In addressing the Baltimore Accident & Health Association, George McDowell, superintendent of the group department of Metropolitan and Commercial Casualty, stated

Holz Pittsburgh Manager for Continental Cas.

Russell F. Holz has been appointed manager at Pittsburgh for Continental Casualty, Continental Assurance, National Casualty and Transportation, succeeding H. H. Ledley. He has charge of Pittsburgh, western Pennsylvania, West Virginia and eastern Ohio.

A graduate of the Wharton School of Finance at the University of Pennsylvania, he was with Standard Accident for a time as special agent out of Newark and later at the Philadelphia branch. He spent one year in Ohio as special agent of Massachusetts Bonding. In 1930 he joined American Surety as special agent in northeast Ohio. In 1936 he was named field assistant of Zurich, traveling New Jersey and eastern Pennsylvania, transferring to Chicago in 1940 where he developed a number of new agencies. He joined Continental Casualty in 1941 as executive special agent in Ohio, Indiana and Michigan.

Grady Hipp to Take High Post in Liberty Life

NEW YORK—Grady H. Hipp, for the last 13 years actuary of the New York state workmen's compensation fund, will become executive vice-president of Liberty Life of Greenville, S. C. Before going with the state fund Mr. Hipp was for 10 years actuary of the New York department and prior to that was Wisconsin department actuary for six years.

J. P. Traynor with Mutual Life

NEW YORK—J. P. Traynor, deputy New York superintendent in charge of the liquidation bureau, is becoming manager of real estate for Mutual Life.

that group insurance has a great appeal because it is stripped of frills; it is basic protection and basically sound. While commissions are lower on group insurance, the lapse ratio is less than 5 percent.

Mr. McDowell said that Victor Beinfeld of New York had an annual premium income of \$200,000, before he attempted any group sales, but now it is in excess of \$500,000. He concentrated on one field at a time. There were the milk drivers, which required getting up early in the morning. From this field he graduated into others such as the New York teachers group.

Claim Association Names Committee Chairmen

Willard E. Hein of State Mutual Life, president of the International Claim Association, has appointed his committees. Chairmen are:

Program, F. M. Walters, General Accident, Philadelphia; reception, J. E. Dowling, Metropolitan Life and J. N. Cunningham, Crown Life; membership, Douglas A. Bleas, Connecticut Mutual Life; legal, Kenneth C. Berry, Lumbermen's Mutual Casualty; medical, Dr. Lloyd C. Miller, National Life & Accident; auditing, John McAlexander, Bankers National Life; press, Victor E. Fox, Colonial Life; transportation, Herman Bijesse, Guardian Life; forms, T. Vaughn White, Continental American Life; group, E. J. Morris, Equitable Society; medical conference, A. G. Fankhauser, Continental Casualty; war claims liaison, Godfrey M. Day, Connecticut General Life; lay adjusters, Harlan S. Don Carlos, Travelers.

J. D. DeWitt, Travelers, chairman, has announced that the executive committee meeting scheduled for January will be held the middle of February.

Williams, Boyd, Continental Casualty Supervisors

George R. Williams has been appointed supervisor of commercial accident and health and non-cancellable accident in the central New York division by Continental Casualty. He will have headquarters at Syracuse. Mr. Williams entered insurance in 1928 as a field assistant of Travelers at Syracuse. In 1939 he became agency supervisor for Aetna Casualty in the central New York territory. In 1942 he went with Interstate Business Men's Accident as superintendent of agencies.

Everett C. Boyd, formerly district supervisor in Iowa for Equitable Society, has been appointed supervisor in the same territory by Continental Casualty for the commercial and non-cancellable accident and health divisions.

Mr. Boyd was for a time district manager in Iowa for Connecticut General. For the past nine years he has operated a general life, accident and health, and fire and casualty agency at Atlantic, Ia. Al Wilson, district supervisor for Iowa and other midwest states, will continue with the other states and in addition will now have Michigan.

E. H. O'Connor on Eastern Trip

Edward H. O'Connor, executive director of the Insurance Economics Society, was given a luncheon in New York by James R. Garrett, New York state chairman of the society and his committee. Mr. O'Connor outlined the program of the society.

Mr. O'Connor's engagements on the road included addresses before the Pittsburgh Association of Accident & Health Underwriters; a talk before the Binder Club of Baltimore; a visit in Washington and a stop off at Wilmington, Del., to consult with J. P. Hammond, state chairman. Mr. O'Connor will visit Newark to confer with Paul G. Garey,

state chairman, who is vice-president of Commercial and Metropolitan Casualty.

Claims Down, Premiums Up for Business Men's

Claims paid by Business Men's Assurance in 1942 included \$279,918 accident, \$830,201 sickness, and \$369,896 hospitalization. The loss ratio under accident and health on a paid basis declined from 54 to 48.7 percent; on an incurred basis, from 58 to 54 percent.

Accident and health premiums increased \$389,244 to \$3,072,334. Group hospitalization premiums increased \$163,578.

Lecture Series in Columbus

The first of a series of three lectures, sponsored by the Columbus Association of Accident & Health Underwriters, will be given Feb. 5 by E. Hoffman, manager of Metropolitan Life. He will speak on "The Institution of Accident and Health Insurance," and following the lecture, a "quiz" will be held.

The lecture series will extend over three months and each member making certain grades will be awarded a certificate of proficiency. Members of the Columbus Life Underwriters Association have been invited to attend.

Jeffries Is Atlanta Speaker

Mayor Edward J. Jeffries of Detroit, who is general counsel for the Macca-bees, addressed the Atlanta Association of Accident & Health Underwriters in connection with the big war bond drive there. Mr. Jeffries pointed out that insurance men, particularly agents, should be able to cover much more territory effectively than other civic workers because they can sell bonds while they are carrying on their regular activities.

Dyer, O'Connor to Speak at K. C.

George L. Dyer, Jr., Columbian National Life, St. Louis, president of the National Association of Accident & Health Underwriters, will speak at the meeting of the Kansas City association Feb. 12. On March 12, E. H. O'Connor, executive director of the Insurance Economics Society, will address the Kansas City group.

W. C. Woodward at Pittsburgh

W. C. Woodward has been appointed manager of the disability division at the Pittsburgh branch office of Continental Casualty. He formerly operated his own business at Wheeling, W. Va.

New Cal. Hospital Association

United Sanatorium Service, a San Francisco hospital association, has been licensed by the California insurance department. H. C. Warren is president and F. M. Pottenger, Monrovia, vice-president.

Explains New Tax Deduction

Sales arguments furnished by the new federal income tax deductions allowed for sickness and accident expense were explained by Lloyd A. Perkins, Pacific Mutual, club president, at a luncheon meeting of the Seattle Accident & Health Managers Club. He outlined the provisions of the new deduction and said it gives recognition to the importance of accident and health insurance. Most taxpayers are unaware of the new allowance and anyone pointing it out will be cheerfully received.

Cal. "Letter" Ruling Modified

SAN FRANCISCO—Commissioner Caminetti has modified his rule that when accident and health companies write letters granting limited coverage of men in active military or naval service, they should send copies of such letters to all policyholders, to permit copies of the letters to be furnished

agents where it is impracticable to send them to policyholders.

The companies protested that the ruling imposed an unreasonable burden under present conditions. George W. Kemper, manager of the accident and health department of Fireman's Fund Indemnity, appeared for the Accident & Health Managers Club of San Francisco, representing to the commissioner that in the case of certain types of companies the burden of this requirement of individual mailing to each policyholder was so onerous as to make it impracticable to give this protection.

McDowell with Craftsman

Putnam McDowell, who for the past three years has been agency supervisor of Continental Casualty, has joined Craftsman of Boston as superintendent of agencies. He graduated from Harvard and then for 10 years was vice-president of Federal Life & Casualty.

McKenna Takes Lundy's Duties

SAN FRANCISCO—The vacancy caused by the resignation of Herman Lundy as manager of the accident and health department in the San Francisco branch office of Continental Casualty is being filled by assigning those duties to Gerald F. McKenna, for several years manager of the northern California agency of Continental Assurance. Mr. Lundy left the insurance business to join a war industry in Oakland. He also resigned as president of the Accident & Health Managers Club of San Francisco.

A. & H. Groups to Meet Feb. 10

NEW YORK—There will be a joint meeting of the governing, underwriting, manual and statistical committees of the Bureau of Personal Accident & Health Underwriters Feb. 10.

Write Accident & Health Bulletins, 420 E. Fourth St., Cincinnati, for plans for increasing sales.

No
Business
Direct



NATIONAL SURETY
CORPORATION

VINCENT CULLEN
President

FINANCIAL STATEMENT, DECEMBER 31, 1942

ASSETS

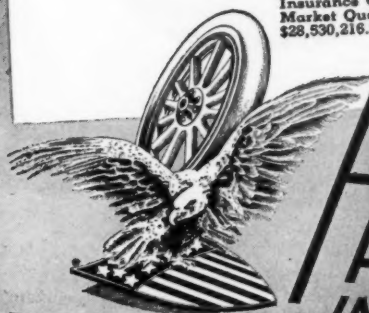
U. S. Government Securities*	\$12,230,694.88
Canadian Government Securities*	43,500.00
Corporation Stocks	4,752,421.00
Stock of Subsidiary Fire Insurance Company	1,796,370.16
Total Investments†	\$18,822,986.04
Premiums in Course of Collection (Less than 90 days old)	2,371,016.15
Cash in Banks and Offices	7,074,461.05
Accrued Interest	29,411.79
Total Admitted Assets	\$28,297,875.03

*Securities carried at \$1,165,433.75 in the above statement are deposited for purposes required by law.

LIABILITIES

Legal Reserves:	\$ 6,409,378.56
Unearned Premiums	7,670,787.34
Claims	1,569,449.29
Federal Income and Other Taxes	565,512.71
Commissions	22,000.25
Expenses	\$16,237,128.15
Total	5,777.78
Reserve for Other Liabilities	
Capital Stock	\$ 2,000,000.00
Surplus	10,054,969.10
Surplus as regards Policyholders	12,054,969.10
Total Liabilities	\$28,297,875.03

†Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31, 1942 Market Quotations had been used, the Assets would be \$28,530,216.54 and Policyholders' Surplus \$12,287,310.61.



AMERICAN
AUTOMOBILE
INSURANCE COMPANY

ORGANIZED 1911

SAINT LOUIS

CHANGES IN CASUALTY FIELD

To Central Surety Home Office Post

W. A. Anderson has been named superintendent of the compensation and liability department of Central Surety. He succeeds Leslie A. Stewart, who has been commissioned a lieutenant in the Navy and who leaves for active duty Feb. 8.

Mr. Anderson has had more than 20 years' experience in the casualty business.



W. A. ANDERSON

He formerly was with the Chicago branch of the National Bureau of Casualty & Surety Underwriters, was casualty underwriter of American Employers at Chicago, casualty manager of Transportation Indemnity at Freeport, Ill., and in charge of the automobile department of the Bartholomay & Clarkson Co. agency of Chicago.

In 1936 Mr. Anderson became associate manager of Central Surety's Chicago branch office, and in 1940 sole manager.

Rhode with American Auto

R. S. Chaloner, Minnesota branch manager of American Auto has appointed Grant M. Rhode field representative, succeeding Arnold Loe, who has enlisted in the army. Mr. Rhode for the past three years has been in the automobile supply business and prior to that conducted his own general agency in Chicago. Before that he was associated with the U. S. Casualty and the Eldredge & Cleary agency in Chicago.

Dragoo Senior Executive

Harry W. Dragoo II of Chicago, has been appointed senior executive of the Kemper group of companies. He has been associated with the advertising department since 1938, and was responsible for the arrangements of the Upton Close radio program sponsored by Lumbermens.

Brick Advanced by U. S. F. & G.

LOS ANGELES—O. D. Brick, who has been assistant superintendent of the fidelity and surety department of U. S. F. & G. in Los Angeles, has been promoted to superintendent. He has been with the Los Angeles office of U. S. F. & G. 20 years.

Brown to Monarch Mutual

Raymond A. Brown, examiner with the Iowa department, has resigned to become secretary of Monarch Mutual of Cedar Rapids. He succeeds W. T. Ellis.

Several Commercial Standard Elections

W. B. Todd, who has been acting president of Commercial Standard, has been elected president. He has been with the company since 1935. K. F. Vaseen, formerly vice-president and secretary-treasurer, was elected executive vice-president. He joined the company when it was organized in 1924.

Mr. Todd became acting president last October when President J. R. Plummer entered the army. He had been executive vice-president.

Harry F. Hiegel, vice-president, is agency director of the company. K. E.



W. B. TODD

Carpenter and R. E. Burson, who have been assistant secretaries, were elected vice-presidents. Other elections include C. L. Chambers as assistant vice-president; Sharman Owsley, manager of the fidelity and surety department, assistant secretary; Joe Pieringer, Jr., assistant secretary, and J. K. Wilson assistant treasurer.

Armstrong Crawford in Army; McDonald Successor

Armstrong Crawford, former president of Great Lakes Casualty of Detroit, for the past year manager of the casualty department of Gould & Gould, Seattle general agents, has been commissioned a first lieutenant in the army.

Fred Schwier Is Assistant

He is succeeded by Russell H. McDonald, transferred from Spokane. Mr. McDonald will continue to supervise the Inland Empire field. Assisting him will be Fred Schwier, named superintendent of casualty underwriting.

Mr. McDonald entered insurance in 1932 with the Washington Insurance Examining Bureau. The following year



ARMSTRONG CRAWFORD

he was named chief clerk of the automobile department. He joined Gould & Gould in 1938 and since then has been manager of the Spokane office.

Blackouts invite burglaries



Blackouts and dim-outs increase the threat of burglary and robbery . . . emphasizing the need for adequate protection.

It's a good time to sell Residence Burglary Insurance and the other forms—Office, Store, Safe Deposit Box, Mercantile, Safe, Messenger and Payroll. Up-to-the-minute advertising and

production assistance is available to Standard agents and brokers on these and other "miscellaneous" Casualty and Bonding coverages.

Standard of Detroit is ready to help you take full advantage of today's business-building opportunities. A Standard field man will give you details.

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

Every ACCIDENT *is a* LEAK IN THE HOSE!



Man-minutes count

In this day and age when every man-minute counts, millions of man-hours are saved through the prevention of industrial accidents.

Since 1904, Travelers safety experts have been helping manufacturers and contractors reduce the number and severity of accidents in

industry. Over \$50,000,000.00 has been expended for engineering and inspection services of workmen's compensation, public liability, fire, steam boiler and machinery insurance. The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut.

NEWS OF THE CASUALTY COMPANIES

Am. Auto Assets, Surplus, Reserves at New High Mark

Assets, net surplus and reserves of American Automobile reached their all time peak in the 1942 statement. Assets are \$28,297,875, premium reserve \$6,409,378, claim reserve \$7,670,787, capital \$2,000,000 and net surplus \$10,054,969.

Net premiums written were \$14,112,576, a decline of about \$300,000. Expenses incurred excluding adjustment expense were \$7,170,488, as compared with \$5,581,218 the previous year, the ratio being 50.8 in 1942 and 38.7 in 1941. Premiums earned last year were \$14,126,627 as compared with \$14,474,966 and losses incurred including adjustment expense last year were \$7,431,183, a decline of about \$30,000, the ratio to premiums earned being 52.6 in 1942 and 51.6 the previous year. The combined loss and expense ratio was 103.4 in 1942 and 90.3 in 1941. There was a statutory underwriting loss of \$506,107 last year and \$1,889,316 gain the previous year.

American Auto Fire

American Auto Fire had premiums of \$4,706,090, expenses incurred \$2,623,563, the ratio being 55.8 as compared with 42.5; premiums earned \$4,749,478, losses incurred \$1,847,538, the ratio being 38.9 last year and 50.2 the previous year. The combined loss and expense ratio was 94.7 in 1942 and 92.7 the previous year. There was a statutory underwriting gain of \$277,231 as compared with \$203,976 in 1941.

President Lee Schleyer states that despite the underwriting loss produced by the statutory reserve formula, American Auto's federal income tax for 1942 was computed upon the largest underwriting income in its history.

Central Surety Gains in Premiums, Assets, Surplus

Central Surety increased its assets \$1,562,793 in 1942, making the total \$11,161,093. Government bond holdings increased from \$2,662,397 to \$3,888,175. Total market value of bonds exceeded book value by \$165,041. Cash and bonds totaled \$9,396,494, an increase of \$1,733,753.

Premiums written were \$7,372,022, compared with \$6,397,945 in 1941. Surplus rose \$373,370, against a gain of \$147,988 in 1941. At Dec. 31 surplus stood at \$2,743,285, after deducting \$100,000 for dividends. Unearned premium reserves were \$2,451,970, compared with \$2,358,910, at the end of 1941.

Directors declared the regularly quarterly dividend of 40 cents a share on capital stock and an extra of the same amount, both payable Feb. 15 to holders of record Feb. 1.

Travelers Group Shows Assets and Surplus Increase

Assets and surpluses grew in all four companies of the Travelers group during 1942. The Travelers' assets stood at \$1,231,914,216, increase \$75,477,813, and surplus was \$57,041,664, increase \$7,993,901.

Travelers Indemnity assets were \$35,943,977, increase \$3,209,877, and surplus was \$6,473,450, increase \$469,122.

The sum of \$121,379,461, an increase of \$5,171,695 over the preceding year, was paid in benefits to policyholders and beneficiaries. The checks and drafts to distribute these benefits numbered 1,521,153.

On an average business day 5,070 individuals or families received payments.

For accident and fire prevention service to policyholders, Travelers last year expended \$2,126,341, bringing the total investments in safety since the establishment of the engineering and inspection division in 1904 up to \$51,829,816. As most of the operations covered by compensation, public liability and fire insurance involved munition production and the creation of war establishments, so was nearly all of the 1942 safety activity identified with the war effort.

The increase in compensation business exceeded the aggregate increases of all other lines of the Travelers group put together. There were also big increases in bodily injury liability insurance and group life, accident and sickness on workers in war industries.

The companies increased their holdings of government bonds in a slightly larger amount than the increase in assets. These holdings went from \$526,500,376 to \$611,204,541, an increase of \$84,704,165. Travelers Insurance had 46.3 percent of its assets in government bonds, Travelers Indemnity 44.4 percent, Travelers Fire 62.8 percent and Charter Oak Fire 75.8 percent.

Premiums of Standard Accident 22.4% Higher in '42

The annual report of Standard Accident reveals that that company made exceptionally handsome gains in 1942. Net premiums at \$21,716,157 were up \$3,975,749 or 22.4 percent over the previous year. Assets were \$34,751,688, an increase of \$5,061,011 or 17 percent, surplus to policyholders \$10,390,751, an increase of \$1,017,712. Gain from underwriting and investments after providing for federal income taxes of \$1,-

At Ten Dollars the Comprehensive Personal Liability Policy is a Bargain!

Ownership or occupancy of property also carries with it certain definite responsibilities. A delivery man slips on your steps or floor; your golf ball strikes a bystander; your dog bites a child; your child throws a stone; your wife blinds a neighbor as she suddenly raises an umbrella; you collide with and injure a stranger while walking on the street; the branch of an old tree on your vacant lot falls on someone; a rusty knife or broken glass in the trash causes injury to a curious boy. In cases like these, or in any one of a hundred similar unforeseen instances, you may be vulnerable, liable to serious legal and financial obligations.

The Company's Liability

Transfer your anxiety and liability to a stock Casualty Insurance Company which has been issuing legal liability insurance for nearly fifty years, and whose nation-wide organization of agents, safety engineers and accident investigators stand ready to aid you whenever necessary.

NEW AMSTERDAM CASUALTY COMPANY



Comprehensive Liability

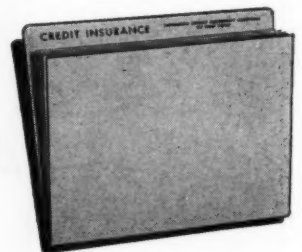


TRINITY UNIVERSAL INSURANCE COMPANY
Edward T. Harrison, President

AUTOMOBILE • CASUALTY • FIRE • INLAND MARINE • COMPENSATION • BONDS

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NEW CREDIT INSURANCE FILE BOOKLET



To provide brokers with complete sales information about Credit Insurance, American offers this new "file booklet", a comprehensive explanation of fundamentals and the reasons why many of your customers should buy this coverage.

Standard file size, the new "file booklet" can be kept readily available either for soliciting material or for answering questions of manufacturing and wholesaling clients.

Write today for your copy of the Credit Insurance "file booklet"... recommend the coverage to those commercial customers who ship merchandise on credit.

American offers every assistance to brokers from initial presentation to final proposition.

J. F. McFadden, PRESIDENT
FIRST NATIONAL BANK BLDG., Baltimore



"Guarantees Payment of Accounts Receivable"

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

250,500, was \$1,469,521, an improvement of about \$400,000.

The premium writings were the largest for any single year in its history. There was an increase of 18.9 percent in the casualty lines and of 38.9 percent in the bonding line. In addition to normal reinsurance sessions, Standard Accident ceded portfolio reinsurance of \$413,786, but the latter was less by \$716,750 than the amount ceded in 1941.

Workmen's compensation and surety showed the biggest increases, being stimulated by war activity. There was a small reduction in writings in personal accident and health and in fidelity. There was a slight increase in the automobile line but this was due to the reduction in special reinsurance.

The underwriting profit was the largest for any year in history. There was an underwriting loss in only one line, plate glass.

Big Increase in Taxes

The federal income taxes of \$1,250,500 compare with \$79,800 the previous year. In 1941 there was a lower tax rate and investment losses were offset against insurance and investment earnings. In 1942 no such offset was permitted and the full amount of earnings was subject to normal and surtax rate of 40 percent.

President Charles C. Bowen states that the great and profitable year that was enjoyed must be regarded as unique in its results and it is not likely to be repeated in full measure. Already it appears that war construction is tapering off, automobile premiums are falling. Nevertheless Mr. Bowen said he feels a favorable loss ratio should continue for a while and there is no present reason for being unduly pessimistic as to 1943.

Mr. Bowen told something about the contribution of Standard Accident to the war effort. He mentioned that the safety engineering department is saving man hours and its trained men have aided in detecting attempts of sabotage and espionage. The handling of compensation claims, rehabilitation of workers, including maintenance of hospitals on the job and payment of awards while not a showy effort in a continuous quiet way is indispensable to the war program. Suretyship involves risking of funds to guarantee to the government that work will be done according to specifications and on time. The company renders a service in selecting contractors who can perform efficiently.

Standard Accident has been called upon to analyze construction projects where the progress is not satisfactory to the government and to expedite the progress of work. To help save rubber the automobile policies without added charge were extended so as not to penalize owners who share their cars with others. The investment in government bonds helps to finance the war and the company is paying the largest taxes in its history.

Up to the end of the year 141 employees were in uniform, constituting 24.3 percent of the men and 12.3 percent of all employees who were on the payroll at the beginning of the year.

New Amsterdam Has Its Best Year

The results for 1942 were the most satisfactory in the history of New Amsterdam Casualty. President J. Arthur Nelson reports. Written premiums exceeded those of the previous year by more than \$1,000,000, the ratio of losses and expenses incurred, exclusive of provision for federal income tax were lower. Assets were about \$2,500,000 greater at \$33,303,134. Premium reserve was \$6,649,299, claim reserve \$12,848,106, contingency reserve \$3,763,130, capital \$1,000,000 and net surplus \$7,000,000.

Premiums earned were \$15,418,343, losses and claim expenses incurred \$7,449,332, underwriting expenses incurred

\$6,674,819. The operating profit less dividends was \$1,563,613.

There was added \$500,000 to surplus and \$1,212,932 to contingency reserve.

The investment in stock of United States Casualty is carried at capital and surplus value.

U. S. Casualty's assets were \$14,378,245, premium reserve \$3,157,202, claim reserve \$6,307,937, contingency reserve \$666,195, capital \$1,000,000 and net surplus \$2,500,000. The operating profit less dividends was \$407,761. Premiums earned were \$7,837,080, losses and claim expenses \$4,425,304 and underwriting expenses \$3,270,481.

Aetna Casualty Makes Handsome Gains in 1942

The total premium income of the Aetna Life companies last year was \$209,278,373. This is an increase of \$16,167,506. Each company showed an increase. The premiums in Aetna Life were \$138,399,446, Aetna Casualty \$49,630,721, Automobile \$18,550,891 and Standard Fire of Hartford \$2,697,315.

Accident and health premiums of Aetna Life were \$23,536,657.

Holdings of government bonds of the entire group are \$289,054,601, which is \$49,852,585 more than at the beginning of the year.

Aetna Casualty showed an underwriting profit of \$3,918,311, and interest and rents were \$1,984,064. Federal income taxes were \$2,581,758.

Premium reserve increased from \$20,655,877 to \$21,642,586. Assets increased from \$78,947,582 to \$89,064,288, and surplus from \$21,235,702 to \$23,048,848.

Employers Mutual Casualty Assets Total \$5,802,147

A typographical error in the report on Employers Mutual Casualty's statement for 1942 showed assets at \$2,802,147. This should have been \$5,802,147. Other details from Employers Mutual statement follow:

Increase in assets, \$757,248; unearned prem., \$1,507,218; loss res., \$391,069; liab. res., \$951,985; comp. res., \$1,022,828; cont. res., \$200,000; surplus, \$1,285,252; inc., \$385,252. Experience:

	Net prem.	Losses pd.
Accident	\$ 50,854	\$ 10,720
Auto liability	1,173,408	430,148
Other liability	262,853	49,777
Workmen's comp. ...	1,684,016	829,816
Surety	5,346
Plate glass	16,464	7,898
Auto prop. damage. ...	478,356	260,131
Auto collision	375,099	170,363
Other P. D. and coll. ...	47,527	9,664
Other auto	279,268	102,332
Total	\$4,373,190	\$1,870,849

Employers Re Pays Extra

Employers Reinsurance is paying an extra dividend of 40 cents a share in addition to the regular payment of 40 cents, both payable Feb. 15 to holders of records Jan. 30. The cash outlay will be \$160,000, the largest quarterly disbursement to be made to shareholders. The company increased its outstanding shares by a 33 1/3 percent stock dividend in January, 1941, making the number of shares outstanding 200,000.

Iowa Mutual Liability Changes

W. L. Dutton was advanced to general counsel, succeeding Guy P. Linville, and H. E. Olerich was made general claims manager succeeding Mr. Dutton, at the annual meeting of Iowa Mutual Liability of Cedar Rapids.

To Issue Non-Assessable Policies

Allied Mutual Casualty of Des Moines at its annual policyholders' meeting recommended issuing non-assessable policies. Officers will take this step as

This advertisement will appear in *Business Week*, February 13, and *Newsweek*, February 22, 1943.



Warden without a whistle

• Unlike the air raid warden, he doesn't wear an arm band or blow a whistle. But he, too, is doing a real war job!

He is your insurance agent or broker—his particular job is to protect you against loss from hazards of many kinds. For instance, if you have production responsibilities, he can help you minimize the chance of power-plant accidents of the sort that inspection by insurance engineers can prevent... accidents which could halt or seriously curtail plant output.

For many years Hartford Steam Boiler has been working closely with agents and brokers throughout the

country. Today this teamwork means more than ever before because it is helping to keep boilers, turbines, generators working for victory.

To help your insurance agent or broker do a better wartime job for you now, Hartford Steam Boiler unstintingly offers all the experience and technical knowledge gained through more than 76 years of specializing in engineering insurance.

And in the peace to come, Hartford Steam Boiler believes that this system will play a vital part in building and protecting a greater and better America.



Covers: Boilers • Pressure Vessels • Steam, Gas and Diesel Engines • Electrical Equipment

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY • Hartford, Connecticut

soon as the necessary changes in policy forms can be made and approval of the insurance departments secured. The company, which operates in nine mid-west states, reelected all officers. Its assets increased \$1,250,074 in 1942 and surplus \$414,352.

J. V. Brady Vice-president

Joseph V. Brady has been elected vice-president of Citizens Mutual Auto of Howell, Mich.

Celina Mutual Casualty—Assets, \$1,885,038; inc., \$568,358; unearned prem., \$666,239; loss res., \$62,786; liab. res., \$269,490; surplus, \$518,197; inc., \$134,947. Experience:

	Net prem.	Losses pd.
Auto accident	\$ 23,683	\$ 5,444
Auto liability	512,946	166,109
Other liability	7,105
Auto fire	19,988	3,814
Truckers P. D. liab.	1,855
Plate glass	8,039
Burglary and theft.	436
Auto tor.	2,051	271
Auto theft	9,042	779
Auto prop. damage.	228,993	93,208
Auto collision	232,028	99,361
Other P. D. and coll.	271
Auto comprehensive	124,880	26,988

Total \$1,170,817 \$ 395,974

Conn. General Life—Assets, \$352,781,251; inc., \$32,978,443; unearned prem., \$1,-

615,889; loss res., \$2,261,793; non-can. A. & H. res., \$417,472; capital, \$3,000,000; surplus, \$12,633,464; inc., \$1,756,909. Experience:

	Net prem.	Losses pd.
Accident	\$1,696,334	\$ 573,029
Health	159,296	73,852
Group A. & H.	5,057,418	3,225,352
Non-can. H. & A.	116,285	153,098

Employers Reinsurance—Assets, \$22,462,545; inc., \$1,563,195; unearned prem., \$4,822,936; loss res., \$1,281,030; liab. res., \$4,937,102; comp. res., \$1,545,084; non-can. A. & H. res., \$21,291; capital, \$2,000,000; surplus, \$4,000,000; unassigned surplus, \$1,810,248; inc., \$1,088,468. Experience:

	Net prem.	Losses pd.
Accident	\$ 383,657	\$ 86,765
Health	56,668	21,907
Non-can. H. & A.	145,214	39,037
Auto liability	4,577,643	1,961,482
Other liability	830,325	222,296
Workmen's comp.	904,888	259,401
Fidelity	665,217	135,212
Surety	1,834,798	80,640
Plate glass	69,533	2,280
Burglary and theft.	297,941	47,593
Steam boiler	20,936	117
Engine and mach.	60,974	3,326
Auto prop. damage.	482,116	294,541
Auto collision	6,257	40,331
Other P. D. and coll.	66,033	5,701
Credit	371,409	11,907

Total \$10,609,889 \$3,205,884

Factory Mut. Liab., R. I.—Assets, \$14,381,102; inc., \$245,008; unearned prem., \$872,181; loss res., \$75,280; liab. res., \$2,382,877; guar. fund., \$250,000; surplus, \$9,209,606; inc., \$470,489. Experience:

	Net prem.	Losses pd.
Auto liability	\$1,864,803	\$ 522,506
Other liability	13,883	324
Burglary and theft.	25,353	2,846
Auto prop. damage.	542,523	141,148
Auto collision	300,243	53,990

Total \$2,746,805 \$ 720,814

National Indemnity, Neb.—Assets, \$173,132; inc., \$26,270; unearned prem., \$4,570; loss res., \$500; liab. res., \$9,584; capital, \$100,000; surplus, \$47,949; inc., \$22,035. Experience:

	Net prem.	Losses pd.
Auto liability	\$ 12,677	\$ 3,244
Auto prop. damage.	7,042	686
Auto collision	11,706	2,938
Other auto	7,464	773

Total \$ 38,890 \$ 7,640

National Mutual, D. C.—Assets, \$161,196; inc., \$2,952; unearned prem., \$29,151; loss res., \$11,487; liab. res., \$52,969; surplus, \$54,022; inc., \$3,550. Experience:

	Net prem.	Losses pd.
Auto liability	\$ 103,730	\$ 44,464
Burglary and theft.	125	14
Auto prop. damage.	75,043	28,292
Auto collision	181	50
Other auto	54	18

Total \$ 177,133 \$ 72,838

Woodmen Accident—Assets, \$1,849,778; inc., \$215,151; unearned prem., \$247,424; loss res., \$153,619; surplus, \$1,373,393; inc., \$212,464. Experience:

	Net prem.	Losses pd.
Accident	\$1,232,213	\$ 505,685

Woodmen Central Health, Neb.—Assets, \$309,252; inc., \$73,805; unearned prem., \$30,976; loss res., \$10,972; surplus, \$252,199; inc., \$66,615. Experience:

	Net prem.	Losses pd.
Health	\$ 191,252	\$ 86,367

World, Neb.—Assets, \$1,196,502; inc., \$568,014; unearned prem., \$191,435; loss res., \$441,115; surplus, \$400,041; inc., \$249,571. Experience:

	Net prem.	Losses pd.
Accident & health	\$3,106,012	\$1,309,531

DEATHS

Percival C. Lewis, who retired in July, 1941, as Chicago manager of Employers Liability, died at North Chicago, Ill., Hospital after suffering a heart attack. For the past few months Mr. Lewis, or Colonel Lewis as he was generally known, had been serving as a supervising inspector of industrial plants for the army signal corps in the Chicago territory. Colonel Lewis had a military record in army and Massachusetts national guard work. When he retired from the Massachusetts national guard he was a brigadier general.

He started as an office boy for German American in the Rogers & Howes general agency in Boston. He then switched to the casualty end of the business, becoming connected with the Kaler, Carney & Liffier general agency of U. S. Casualty in Boston. Then he went to Royal Indemnity in the New England department, starting as a special agent and later becoming assistant secretary, attached to the Field & Cowles general agency at Boston. After 15 years in that connection he went with the newly organized Independence In-

demnity and served as resident vice-president in Boston. Prior to the failure of that company he went with Employers Liability in the home office agency department, in 1933 was sent to Chicago as assistant manager and became manager there in 1936.

John W. Cronin, 60, vice-president and general counsel of Liberty Mutual died suddenly at his home in Watertown, Mass. In 1907 he became a trial attorney for the Boston Elevated Railway Company, and in 1912 was employed as attorney by the Massachusetts Employes Insurance Association, later Liberty Mutual.

In 1917 he was appointed general attorney and in 1922 was elected vice-president and general counsel. He had been general counsel of United Mutual Fire since 1929. In 1940 and 1941 he was chairman of the insurance law section of the American Bar Association.

Average Premium Down 18%

One of the prominent automobile specialty companies writing the third party and physical damage coverages, finds that on the average, the premium per policy is 18 percent less than the premium for which the policy was written a year ago.



UNEQUALLED, ALL-COVERAGE

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yet it doesn't cost one penny!

Suppose you had a policy like this to sell — protection for everything you hold dear—your family, home, business, your very way of life.

Protection backed by a company that's been growing and doing business honorably for over a century and a half—a company whose assets total not millions but billions. Premium payments? There aren't any. This all-coverage protection is yours

at no cost. In fact you are paid for carrying it.

Such a policy sounds like a cinch to sell, doesn't it! Funny isn't it then how many of them go begging every day at windows marked U. S. War Bonds!

As men who know the meaning of the word protection, insurance men must surely be in the forefront of U. S. War Bond buyers and boosters.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Gustav May Heads Cincinnati Unit

CINCINNATI — Gustav May was elected president of the Cincinnati Fire Underwriters Association at the organization meeting of the governing committee. Frederick Rauh was elected vice-president. The other members of the new executive committee are West Shell, immediate past president; T. W. Earls, who was vice-president last



Gustav May



West Shell

year, and T. W. Geoghegan. J. F. Schweer was reelected executive secretary.

Mr. May is head of the Gustav May agency and is just rounding out his 25th year in the business in Cincinnati. He has been a member of the executive committee of the association for the past four years and was just recently reelected for another two years. He is an active member of the educational committee of the association and was on the faculty of the University of Cincinnati as teacher of the insurance courses.

He is assistant division chairman of the War Chest, a director of the Cincinnati Committee of War Prisoners Aid and a past president of the Kiwanis Club. Some years ago he was president of the Big Brothers association.

Mr. Rauh is president of Frederick Rauh & Co., one of the oldest local agencies in Cincinnati, which was founded 72 years ago by his grandfather who had the same name. Until last year Mr. Rauh's brother, Morton, was associated with him but is at present with the Navy department.

The new officers will be installed at a dinner meeting Feb. 11.

Linnell Heads Safety Council

MINNEAPOLIS—Thomas G. Linnell, Minneapolis general agent, has been

elected president of the Hennepin County Safety Council. George K. Belden, Fred L. Gray Co., was elected vice-president. Burton A. French of Marsh & McLennan, Waldo Hardell of the Charles W. Sexton Co. and Alexis Caswell, secretary Insurance Buyers of Minnesota, were named on the executive committee.

Oppose Tax Delinquency Checkup in Paying Claims

LINCOLN, NEB.—Fire company men and agents rallied in force to oppose a bill before the Nebraska legislature that would make them collecting agencies for municipalities by requiring them to ascertain, before paying claims on town property where losses exceeded 40 percent of the insured value, if any taxes were delinquent and to retain a sufficient amount to take care of any moneys due the municipality.

F. T. B. Martin, Omaha, chief spokesman for the stock fire companies, said the proposed measure would operate unfavorably against the two Nebraska companies under retaliatory laws. Representatives of farm mutuals secured exclusion from the bill of farm fires.

A committee was named to see if a compromise could be worked out.

New Tax Reporting Plan

A new method for collection of fire insurance premium taxes is proposed in a bill in the Nebraska legislature. Instead of requiring local agents to report premium collections, companies would report on premiums received from each agent. Taxes for foreign companies would be based on gross premiums less return premiums and dividends and domestic companies less dividends.

Another bill imposes a 2 percent tax on policy and membership fees of foreign casualty companies in addition to the tax on gross receipts and substitutes the director of insurance for the state auditor as officer issuing certificate.

A bill making it an offense to misrepresent the purposes of a policy as well as its provisions has been introduced.

Racine Agents Sponsor Courses

Agents of Racine, Wis., and their employes now are taking a 10-week insurance educational course as outlined by the National Association of Insurance Agents on fire and allied lines. The class meets each Monday, and Byron

K. Olinger, state agent of Connecticut Fire, and H. L. Mauritson, state agent Fireman's Fund, are instructors.

Mutual Bills in Indiana

INDIANAPOLIS—A bill has been introduced in the Indiana senate to permit insurance agencies to operate on any basis agreed upon between the agent and company. Agents now, according to the code, must operate only on a commission basis. The law was apparently intended to prevent the use of salaried representatives by direct writers but the attorney general has never rendered an opinion on the subject and it has never been enforced. The amendment is sponsored by the mutual interests.

The Indiana house has passed a bill enabling farmers' mutual insurers to write loss of rents and U. & O.

Change in Ohio Mutual

J. Ambler has resigned as president and manager of Ohio Mutual of Salem and is succeeded as president by D. B. McCune, who has been vice-president. Mr. McCune is primarily interested in work in the oil fields in the Salem territory. Secretary R. K. Yates becomes the active operating head of Ohio Mutual. Mr. Ambler has been with Ohio Mutual since 1889 and has been the active manager since 1928. Mr. Yates has been with Ohio Mutual 33 years and became secretary 15 years ago.

The local agency of Ambler & Co. at Salem has been relinquished by Mr. Ambler.

Start New Examination Manual

The Ohio department will soon start preparation of questions and answers for a new examination manual for applicants for license. Harry T. Minister and Hugh L. Meek of Columbus will represent the Ohio Association of Insurance Agents in helping compile the list.

Cunneen Now in Chicago

Terence F. Cunneen, who has joined the staff of the National Safety Council as field representative in the division of safety councils temporarily is at Chicago headquarters of the council. Later on he probably will be stationed in the east. Mr. Cunneen formerly was executive assistant for insurance for the U. S. Chamber of Commerce.

New Developments Reviewed

WICHITA—At the Wichita Association of Insurance Agents meeting Jan. 28, B. J. Weldon, Dulaney, Johnston & Priest, conducted the program on "New Developments in Personal Insurance," discussing recent changes in personal property floater, burglary, and residence and personal liability. John

Cary Is Reelected as Head of Detroit Body

DETROIT—The directors of the Detroit Association of Insurance Agents have reelected Walter B. Cary president. C. Gilbert Waldo, Bosquett & Co., was elected vice-president; and Robert W. Wolf, Raymond & Raymond agency, treasurer.

The board also determined the outcome of the election which had been held at the annual meeting. There was a tie vote and five were elected to four vacancies. Phil G. Clifton, resident manager of Marsh & McLennan, offered to resign his term on the board which still had another year to run, and thus all five are on the board. Elmer Salzman was retained as secretary-manager.



W. B. Cary

Engstrom, Jr., chairman of the educational committee, distributed 10,000 war damage stickers received from the B. D. O.

Chicago Group to Hear Lawyer

The Chicago Claim Association at its dinner meeting Feb. 9 at the Electric Club will hear Philip R. Davis, attorney for the Chicago Teachers' Union and prominent speaker, on "The Propaganda Front."

Sutherland with Premier Mutual

Premier Mutual Fire, Rochester, Minn., has named C. F. Sutherland, formerly president of Northern Mutual of Minneapolis, office manager and supervisor of agents. F. O. Fitting of the Fitting Insurance Agency, Rochester, is president of Premier.

Others recently added to management personnel are M. M. Hayden, J. T. Stillane and P. S. Schuster. Premier, an agency company organized in 1937, increased its surplus \$14,000 in 1942.

Youngstown Insurance Allotted

YOUNGSTOWN, O. — Mahoning county commissioners have divided \$420,000 of fire insurance on county buildings among 18 agencies in Youngstown and the county. One-third of the total insurance on county properties is allotted each year. The amounts ranged from \$10,000 to \$60,000 per agency.

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B. L. Agler & Co. is the only agency to receive \$60,000.

Milwaukee Course Questionnaire

MILWAUKEE — The educational committee of the Milwaukee Board has issued a questionnaire to ascertain whether a sufficient number of members, employees and solicitors are interested in establishing an educational program. The course will be fashioned after the National association's program.

New Ohio Legislative Committee

E. B. Berkeley of Cleveland, president Ohio Association of Insurance Agents, has named on the legislative committee: J. F. Van Vechten, Akron, chairman; Karl D. Dakin, Lebanon; Max M. Fuls, Chillicothe; Paul R. Gingher, Columbus; Robert O'Brien, Columbus; Ray Martin, secretary, Columbus.

Iowa Investment Bill Advanced

DES MOINES—The Iowa senate has passed a bill to allow Iowa fire companies to increase investments of capital and surplus in corporate bonds and stocks from 20 to 40 percent. It was explained on the floor that the measure was for the sole benefit of Dubuque Fire & Marine.

Ill. Fire Losses Up 24%

State Fire Marshal Craig of Illinois reports that fire losses in the state outside of Chicago amounted to \$11,586,314 last year or an increase of 24.26 from the 1941 total of \$9,323,804. The December loss total of \$2,245,760 was the highest loss in any month since May of 1939.

Three Columbus Agencies Merge

The John C. Talbott, M. F. Seyler and Knowlton agencies of Columbus, O., have been merged. The office will be at 40 South Third street.

Could Remove Neb. Director

LINCOLN, NEB.—The state insurance director could be removed at any time by the governor under a new Nebraska bill.

NEWS BRIEFS

A new bill in the Ohio legislature requires all electrical installations to com-

ply with the National Board, 1940 national code.

George W. Speer, who operates the C. O. Speer & Son agency at Waterloo, Ind., was honored at a luncheon in Chicago by officials of the western department of America Fore on completion of 25 years with the company. He is a recording and farm agent of Fidelity-Phenix. E. A. Henne, vice-president and western manager, presided at the luncheon, and welcomed Mr. Speer into the "Old Guard." Mr. Speer's father, the late C. O. Speer, was inducted into the "Old Guard" 15 years ago.

Harold Christensen, local agent in Racine, Wis., has announced his candidacy for mayor.

Plans are being made to form a women's insurance club in St. Louis. J. W. Rodger, manager of the Insurance Board of St. Louis, is aiding in the preliminary organization.

John H. Parks, Eagle and Royal Indemnity, Cleveland, addressed the Insurance Women of Columbus. Margaret Weisgerber, Fidelity & Deposit is the new president.

The Insurance Women of Racine, Wis., held a party at the home of B. H. Miller of the Miller Bros. Agency, attended by about 40.

Charles Morrell, a partner in the W. H. Markham & Co. agency, is serving on a special panel of 16 St. Louisians formed to conduct public hearings for residents of eastern Missouri who are accused of violating gasoline rationing rules.

Ohio insurance men are opposing a senate bill permitting solicitation of automobile insurance by deputy registrars selling drivers' licenses.

J. Will Howell of West Frankfort, who is a member of the legislative committee of the Illinois Association of Insurance Agents, has been appointed a member of the insurance committee of the Illinois state senate.

Fire Insurance Exchange, Los Angeles reciprocal, has been admitted to Minnesota.

Judson G. Perry, veteran local agent at Rochester, Minn., has disposed of his agency and retired from business.

R. T. Breedlove has opened a new local agency in Shelbyville, Ind. He formerly was manager of the Stanley Jones agency there.

IN THE SOUTHERN STATES

Miss. Disallows 5% Deal on Risks of DPC

Acting upon the opinion of the attorney-general, Commissioner Williams of Mississippi has given a ruling disallowing the reduction of agents commissions on Defense Plant Corporation risks to 5 percent. Mr. Williams wrote to the attorney general, citing the law which requires the insurance commission to get the written opinion of stock fire companies as to the rate of commission to be paid local agents for the ensuing year. That law provides that the rate of commissions shall be kept at all times uniform as to classes of risks. The stock companies in answer to that inquiry included the item: "Insurance on property of Defense Plant Corporation covered under a form approved for DPC... 5 percent."

Mr. Williams stated that the DPC properties consist of buildings which are not different from those owned by private individuals and the only such plants in Mississippi are now treated as and rated as boarding schools. He pointed out that the DPC demanded that stock companies reduce the rates on their properties and those under mortgage to them by 10 percent and that a legend be put on each policy to the effect that not exceeding 5 percent expense loading be contained in the rate for agent's commission. Mr. Williams said that when the companies proposed such a rate reduction they could offer no reason for it other than that the demand had been made by the DPC. If the properties cease to be under mortgage to or owned by the DPC, the rate would revert to the higher figure with no change in the risk. This, the Mississippi commission considered discrimination and refused to authorize the reduction in rate.

The attorney general expressed the opinion that the law in question intended that there should be uniformity in commissions according to classes of property rather than according to type of persons who are insured. It would not be permissible on the same risk to lower the DPC rates and not give the

same treatment to other persons having property involving the same risk. The agent's commission should be based on the risk and not on the persons who have property insured.

Stricter Agent Qualification Measure Sought in Tenn.

NASHVILLE—An agents' qualification measure proposed by local stock agents has been introduced in the Tennessee legislature after being approved by Commissioner McCormack. Under its terms only a state resident may be a licensed agent; no person can legally solicit insurance directly or indirectly without a license; all new applicants for license must take an examination and pay an examination fee; examinations to be held at the convenience of the insurance commissioner who must render a decision within 60 days. Life, fraternal and county fire mutual agents are exempted.

The new bill is not related to the measures aimed to bring direct writing mutuals and reciprocals under the countersignature law which were withdrawn after considerable controversy.

New Local Associations Are Organized in Alabama

The Troy (Ala.) Association of Insurance Agents has been organized with 100 percent membership. W. F. Nall is president; Joel D. Murphree, vice-president, and William H. Murphree, secretary-treasurer. The latter is a member of the executive committee of the Alabama association. M. R. McGruder, manager of the state association, attended the organization meeting, stated it included 100 percent of the agents of Troy.

The Anniston Association of Insurance Agents was recently organized with W. P. Acker, president; Geo. H. Butler, vice-president, and W. H. Bryant, secretary-treasurer. Mr. Butler is chairman of the executive committee of the Alabama association. Senator E. C. McCary, a member of the Anniston association, is chairman of the senate committee on insurance.

In addition to these two, other local

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associations are planned in Alabama. Already the membership of the state association has been swelled to 190, an increase of 30 since last September, with 50 towns represented.

Southern Mutual Awarded Judgment Against Resolute

RICHMOND, VA.—Southern Mutual of Virginia was awarded a \$10,358 judgment against Resolute Fire under an agreement whereby the former was to rewrite certain automobile policies issued in Virginia by Resolute and receive 62½ percent of the unearned premium. Southern Mutual alleged that the agreement provided for rewriting other policies in Virginia and North Carolina. Resolute had refused to turn over the unearned premiums and Southern Mutual brought suit.

Sign Up 60 in Birmingham

BIRMINGHAM, ALA.—Sixty agents have now signed up for the educational short course being conducted by the Birmingham Association of Insurance Agents. Plans to take care of the increased enrollment will be discussed at the monthly meeting Feb. 9. Phil DeVore of Birmingham Fire is dean of the school. Tom Jacobs of Jemison-Seibels Agency is chairman of the educational committee.

Va. War Damage Questionnaire

Oscar H. West, manager of the Virginia Association of Insurance Agents, has sent out questionnaires seeking information as to activities of Virginia agents in the sale of war damage insurance. The agents were requested to supply the desired information as promptly as possible so that it might be forwarded to the Business Development Office.

Jackson Is Mobile President

MOBILE, ALA.—The Mobile Board has named John O'C. Jackson of the McHugh-Hamilton & Lyons agency president to succeed James VanAntwerp. J. M. Allen was named vice-president and Joe Bullock, secretary. The association has appointed committees to plan a short course school, to aid in civilian defense and to study the city's schedule.

Drop Three-Fourths Clause

BIRMINGHAM—The Southeastern Underwriters Association has announced the elimination of the three-fourths value clause in Alabama and Mississippi. Local agents are much pleased with this step. The elimination presumably will apply to policies in force as well as those written in the future.

Cut Ark. Department Funds

LITTLE ROCK—The joint budget committee of the Arkansas legislature cut \$2,000 from the appropriation request of the insurance department. The total appropriation of \$33,650, however, provided for salary raises for four employees.

The committee trimmed \$1,000 from the department's request of \$5,000 for travel expenses, and a like amount from the \$5,000 request for special services in connection with the workman's compensation act.

Jacksonville Insurers Elect

JACKSONVILLE, FLA.—At the annual meeting of the Jacksonville Insurers Association, R. C. Winstead, former vice-president, was elected president; W. H. Avery, vice-president; H. P. Crosier, secretary and Caldwell Haynes, treasurer.

Fla. State Insurance Data

TALLAHASSEE, FLA.—From 1939 to 1942 the state of Florida carried insurance in private companies on state owned properties of \$11,663,239. In 1942 this had been increased to \$12,171,475.

The cost, however decreased \$14,386 in the three years as a result of a general rate reduction. The state is now carrying a larger proportion in its own fire insurance fund. In 1939-42 the state fund percentage was 36.4, companies 63.6; 1942, fire fund 41.6, companies, 58.4.

Protect Service Men's Business

CHATTANOOGA, TENN.—A voluntary agreement to aid agents and solicitors, called into the armed services, to keep their business intact until their return has been signed by all members of the Chattanooga Insurance Exchange, it is announced by a special committee appointed to obtain signatures to the agreement.

Ellis, Spratlin University Regents

Rutherford L. Ellis, president of the Georgia Association of Insurance Agents, and Frank Spratlin of Spratlin, Harrington & Thomas, Atlanta, have been named by Governor Arnall of Georgia as members of the reorganized board of regents of the university system of Georgia.

Set Louisiana Annual Meeting

The Louisiana Association of Insurance agents will hold its annual meeting in New Orleans about March 25. At the executive committee meeting last week it was decided to make it a purely business session with no speakers or entertainment.

Nelson Greensboro President

GREENSBORO, N. C.—O. D. Nelson was installed as president of the Greensboro Insurance Exchange, succeeding Homer Le Grand. Wilson Mitchell becomes secretary-treasurer, succeeding Charles T. Lambeth.

Big Va. Furniture Plant Loss

Fire destroyed one of southwest Virginia's principal factories, the Virginia Lincoln Corporation furniture plant and nine homes nearby in Marion, Va. Company officials estimated that the loss on the plant alone would be \$1,000,000.

NEWS BRIEFS

W. Dudley Gale of Gale, Smith & Co., Nashville, has been elected senior warden of Christ's Episcopal Church.

C. B. Mathney, founder of the Mathney, Peoples & Seigler agency, Augusta, Ga., has retired, due to ill health.

F. O. Claffey, manager of the insurance department of the League, Duvall & Powell agency, Augusta, Ga., has been elected president of the Augusta Real Estate Board.

Gary Gillis of the Gillis-Winkler agency, New Orleans, who was taken seriously ill last week, is reported on the mend at Touro Infirmary.

C. M. Samuel, vice-president of Ferd Marks agency, New Orleans, is back at his desk after a prolonged illness.

A bill has been introduced in the Georgia house to reduce license fee for agents to \$5.

The Dallas Insurance Women's Club set a new record in selling war bonds and stamps in one of Dallas' leading department stores. Their sales for three Saturday afternoons totaled \$303,448.

COAST

Heavy Windstorm Losses Sustained in Colorado

COLORADO SPRINGS—All available adjusters have been busy the past two weeks on the thousands of windstorm losses in the mountain region of Colorado Jan. 20-22.

The storm was of true hurricane variety, with from 60 to 75 miles an hour velocity. Colorado Springs and the



THE OUTLOOK

Business prospects for 1943 will be greatly influenced by the war. Two things, however, are certain. Insurance must be utilized more than ever before to safeguard the credit structure of our nation; and times of stress particularly call for insurance in financially strong Capital Stock Fire Insurance Companies like those in the Springfield Group.

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Pikes Peak region sustained tremendous damage to buildings, glass, roofs and shade trees. Many plate glass windows and neon signs in the business district were smashed. Electric service was disrupted. Schools were closed temporarily.

At Camp Carson, a few miles from Colorado Springs, 25 buildings were destroyed by fire during the storm, and the combined damage from wind and fire at the camp is estimated at \$1,000,000. Considerable damage has been reported from Denver, Boulder and other Colorado cities.

San Francisco Grain Loss Has Some Unusual Angles

SAN FRANCISCO—A loss presenting problems of a peculiar nature has occurred in the San Francisco bay area involving collision of a steamship with a large frame warehouse standing on piling and containing bulk grain. The ship sheared into the warehouse on an angle and punched a hole 30 or 40 feet into the side and floor of the house, allowing a considerable quantity of wheat to run through into the bay beneath.

Problem of estimating the quantity of grain loss is accentuated by the fact that present removal of the remaining grain for measurement is too large a job to be feasible, and that the level of the stored grain throughout the various bins in the warehouse was not uniform. Distribution of stresses over the structure made it necessary to mound the grain up in the bin centers somewhat, instead of along partitions. It is also thought that the impact of the ship disturbed the grain which was not lost, by causing it to settle more tightly, lowering somewhat the level throughout the area involved.

Collapse and subsidence insurance was carried by the owners of the grain.

New Mexico Agency Shifts

The French & Walton agency, Raton, N. M., is now conducted by Rex French and Mrs. Jack Walton. Mr. Walton is in service. Mr. French, who is former state treasurer, has just joined the agency. Oscar Ketchum of Raton has purchased the Garner & Parks agency there.

A. L. Marshal, local agent at Silver City, N. M., who has been in service several months, is now in Florida. Miss Virginia Scott is managing the agency during his absence.

The Valley Finance Company, Las Cruces, N. M., has temporarily discontinued its agency. L. F. Pratt and B. T. Hall, former managers of the insurance department, are in the army.

Seattle Firms Must Move Again

SEATTLE—A large part of one of Seattle's most important insurance structures, the Alaska building, will be taken over soon by the Coast Guard. The building, which is owned by New World Life, houses both the Washington Surveying & Rating Bureau and the Washington Insurance Examining Bureau. It is understood, however, that neither of those offices will be forced to move.

About eight or 10 insurance offices moved to the Alaska building last June when the navy requisitioned virtually all space in the Exchange building. These

offices now face the prospect of finding new quarters elsewhere.

Utah Legislation Discussed

SALT LAKE CITY—The meeting of the Salt Lake City Association of Insurance Agents was enlivened by a discussion of several bills that will shortly be presented to the legislature, including an agents' qualification law and an amendment to the present countersignature law, sponsored by the state association with the backing of the insurance department. Other looked for bills are: Authorizing reciprocals to write compensation; state rating, and surplus lines.

The association is conducting a National association educational course. Over 60 are enrolled.

Seattle Blanket Club "Revival"

A "revival" meeting will be held by the Seattle Blanket Club, young men's insurance organization, Feb. 5. Tom Telfer of Carter, MacDonald & Co., chairman of the club for the duration, is arranging periodic dinner meetings, attended by the few remaining members and a number of the oldtimers, to preserve the club's framework.

Padou to Las Vegas for F.C.A.B.

The Fire Companies' Adjustment Bureau has appointed P. F. Padou, formerly at Billings, Mont., as branch manager of the Las Vegas, Nev., office, to succeed R. B. Squires, who is being transferred to the Salt Lake City office. Mr. Padou has been with the organization since 1929.

New Wash. Casualty Committee

SEATTLE—A new committee to contact bureau and non-bureau company organizations on casualty rates, rules and forms has been appointed by Charles P. Carroll, president of the Washington Association of Insurance Agents. Willard H. Scott of the M. B. Hevly-Scott Agency, Seattle, is chairman. Other members are H. E. Carr, Bellingham; E. O. Allen, Wenatchee; R. J. Martin, Spokane, and Harry Paxton, Walla Walla.

Spokane President Reelected

The Spokane Insurance Association has reelected Leon G. Greene as president. LeRoy B. Way, Elmendorf-Anthony Co., is vice-president and T. J. Meenach, secretary-treasurer.

Leonard M. Arbon has resigned as manager of the insurance department of Jones & Mitchell, Spokane, Wash., to take a similar position with the Vermont

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Hanson Promoted by Minneapolis F. & M.

At the annual meeting of Minneapolis Fire & Marine, Secretary Robert L. Hanson was elected vice-president and secretary. He was also elected a director and made a member of the finance and executive committees. He became secretary in 1940. Prior to that he was state agent in Minnesota for L. & L. & G., having served that organization for 20 years. Glen L. Pickens and Harold W. Grant were elected assistant secretaries.

McGehean in New Orleans Post

R. J. McGehean, who has been connected with the "Insurance Field" for several years, has resigned to take a position with Louis Phillips, publisher of an insurance periodical at New Orleans. Mr. McGehean has done both selling and editorial work for the "Field" and until recently he was located in New York.

The prize insurance bill of the week is one before the Minnesota legislature that would bond fathers of illegitimate children.

Loan & Trust Co. there. He succeeds the late D. J. LaLone.

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the policies there would seem to be no reason for insertion of the clause. No insured could claim under these contracts that he was covered against wind, fire, riot, etc. There would be no reason for expressly exempting the insurers from losses directly or indirectly resulting from the hazards named if it was the intent to exclude them merely as causes independent of and separate from losses incurred by sprinkler leakage. If Woogmaster's loss was not due to sprinkler leakage then he was not insured at all, but if he was damaged by such leakage then he was protected unless the leakage was caused directly or indirectly by some one of the hazards in the clause in question.

C. C. Worth represented Woogmaster and W. L. Came, the insurers.

Probable Post-War Trends Are Analyzed

Clarence T. Hubbard, secretary of Automobile, in speaking before the Board of Fire Underwriters in New Britain, Conn., called attention to the recent report of the Brookings Institution, which indicated that the immediate effect following the cessation of war is not particularly upsetting—that first there is hesitation, then a period of activity, followed by a period of readjustment never over two years in length, after which several good years appeared.

National Union Sings for Neel

National Union Fire's choral group will entertain during the testimonial banquet for Gregg L. Neel, Pennsylvania's new insurance commissioner, Feb. 15 at Pittsburgh. H. W. Schmidt, president of the Insurance Club of Pittsburgh, is general chairman of the affair, with other insurance organizations participating.

J. J. O'Donnell, Lon C. Jeffrey Co., heads the hotel committee; Chas. H. Bokman, New Amsterdam Casualty, publicity, and B. M. Snyder, secretary-treasurer of the Pittsburgh Association of Insurance Agents, tickets.

Leadbetter Heads N. Y. "Coops"

William H. Leadbetter of Mohegan Lake was elected president of the New York State Central Organization of Co-operative Fire Insurance at the annual meeting at Syracuse. He succeeds H. G. Webster of Weedsport. Thomas F. Cotton of Friendship is vice-president; R. M. Stanton of Greenville, secretary, and E. W. Vary of Watertown, treasurer. The meeting was attended by A. V. Gruhn, general manager of the American Mutual Alliance.

Agents Head Pa. Committee

George N. Wade, Camp Hill, local agent and Harrisburg general agent Ohio National Life, has been appointed head of the Pennsylvania senate's insurance committee. G. Edgar Kline, Pottsville local agent, is chairman of the house insurance committee.

Controlled Business Change

BOSTON—A bill to increase from 10

to 25 percent the percentage of "controlled" business which an agent or broker may have to secure or retain a license has been filed in the Massachusetts legislature by Robert T. Fowler, Jamaica Plain local agent.

Vote on Moving to Boston

Worcester Manufacturers Mutual held a special meeting this week to vote on moving the home office to Boston. Removal of some of the company's business and records to Boston started several months ago.

Changes in Worcester Mutual

A. H. Bullock retired as vice-president of Merchants & Farmers Mutual Fire of Worcester, Mass., at the annual meeting, but was elected chairman of the board. Clifford A. Peterson was elected vice-president and assistant secretary.

At the meeting of the Insurance Women of Pittsburgh, Feb. 9, Miss Genevieve Blatt, attorney with the city law department, will speak on "Women in War Work."

MOTOR

See Some Light in the Automobile Business

A number of local agents find that the rationing of gasoline is having a favorable effect in one direction. It has definitely reduced the mileage of most automobiles and therefore they will be used longer than they otherwise would. It has certainly conserved tires and thus the assured will continue his insurance from year to year so long as the machine will go. These agents say that in a number of cases the tires would have soon worn out and the machine then probably would have to be laid up owing to the inability to get even second-hand or made-over tires. Now such will be kept in operation in a limited way.

Cold Wave Damages Tex. Cars

DALLAS—At least 5,000 automobiles in Dallas county alone are off the streets, some of them permanently, because of the sudden and severe freeze that burst engine blocks. There was a drop of 74 degrees in three days. Cheaper grades of anti-freeze failed to protect the cars and many motorists drained the radiators but failed to turn on the block drain cock.

CANADIAN

Auto Rate Cuts in Canada Based on Rationing Class

TORONTO—Automobile insurance rate reductions have been announced by board and non-board companies. Graduated on the gasoline rationing category

of the car owner, public liability, property damage and collision rates have been reduced as much as 35 percent from the basic rate, retroactive to Jan. 1.

The reduction is 35 percent on public liability and property damage and 20 percent on collision for the "AA" class; 25 percent on liability and property damage and 10 percent on collision for "A"; 20 percent on liability and property damage for "B," with no change in collision. "BX" drivers and those under the Wartime Industrial Transit Plan get a 10 percent cut on public liability with no change in collision.

Those who have taken out new insurance or renewed policies since the first of the year, will be given a rebate, to be made automatically by the agents from whom the insurance was purchased. Persons who took out automobile insurance in 1942 will not reap any benefit from the new rates until their present policies expire.

Stoddart Named in Vancouver

James Matson, manager for Canada of Royal, has appointed A. H. Stoddart assistant manager in Vancouver, under F. H. LeCouteur.

MARINE

Sun Wins Important Issue Over Cargo Dishonesty Loss

A cargo policy covering the legal liability of an interstate commerce carrier, excluding losses due to dishonesty of its agents, etc., does not cover theft of the cargo by an employee of a truckman to whom the assured had entrusted the shipment when the latter had no truck of his own available. This was the decision of the U. S. Circuit Court of Appeals for the Eighth Circuit in reversing the judgment of the lower court in Sun vs. Be-Mac Transport, Inc.

The court observed that the question is important because of the volume of interstate commerce by trucks and the great extent to which through shipments are effected by arrangements similar to those involved in this case.

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transport a shipment of poultry from Shawnee, Okla., to New York and a load of butter from St. Louis to New York. Be-Mac made a deal with Paul Birkinbine, a truckman, to transport the two shipments from St. Louis. Birkinbine had no authority from the I. C. C., but operated under the plates of whoever he hauled for. Birkinbine went with his helper, C. C. Claus, as far as Indianapolis and then Claus went on alone. Claus wrongfully disposed of the cargo in New York state and was subsequently convicted of stealing it. Be-Mac sought to recover \$3,370 from Sun.

Question of Agency

Sun contended Claus must be deemed an agent of Be-Mac and the policy did not cover loss caused by his dishonesty. Be-Mac argued that Birkinbine, under the deal became an independent contractor and was in full control and direction of transporting the cargo to New York. The court found that when Be-Mac entrusted the custody of the shipment to Birkinbine and Claus it constituted them as its agents to complete the transportation which it was obligated to consummate and for which it had assumed responsibility. Hence Sun was not liable.

Even if Birkinbine could be regarded as an independent contractor, there would be no liability upon Sun, since the policy covered the liability of the assured as a carrier for loss on shipments of goods "while in the custody of the assured." If it could be inferred that Be-Mac had completely surrendered the goods to someone else and they were not in Be-Mac's custody at the time of the loss, then the loss would not be covered under the policy.

Sun was represented by J. H. Cunningham, Jr., Chasnoff, Wilson & Cunningham, and John W. Fuson while Be-Mac's lawyer was Max Sigoloff.

Hartford Names Fraser in Chicago

The western department of Hartford Fire in Chicago has appointed Scott B. Fraser as assistant superintendent of the marine department. Mr. Fraser will have charge of the company's marine office in the Insurance Exchange building, succeeding H. E. Mankin.

Mr. Fraser has been superintendent of the western marine department of Firemen's of Newark for the past five years. The preceding five years he was with Marine Office of America as special agent in charge of Michigan out of the Detroit office. Prior to that he had been two years as underwriter in the inland marine department of the Osborn & Lange Agency in Chicago. He started with Childs & Wood, spending two years as an underwriter with that Chicago agency.

At the same time Walter Walther was named assistant superintendent of the western marine department. He has been connected with Hartford in St. Louis several years as special agent un-



Scott Fraser

der Manager George W. Fischer. He will be assistant to Superintendent Brice M. Draper in the western marine department.

G. H. Angell Is Promoted by Providence Washington

G. Henry Angell has been elected an assistant secretary of Providence Washington. Mr. Angell went to the home office in September, 1941, as marine agency superintendent. He formerly was marine special agent out of the marine department of the company in Chicago under C. Heath Bannard, Jr. He held this position for about six years.

Mr. Angell is a brother of H. M. Angell, manager of Appleton & Cox in Chicago, and the two are nephews of Curtis Macy, formerly a partner in Appleton & Cox, who died about three years ago.

Illinois Approves PPF

Illinois has now approved the revised personal property floater. It is the same as the form recently brought out by the Inland Marine Underwriters Association. Heretofore there have been several differences between the form applicable elsewhere in the country and that approved by the Illinois Personal Property Floater Bureau.

F. B. McBride New President

F. B. McBride of the Fireman's Fund was elected president of the Board of Underwriters of New York at the annual meeting succeeding William D. Winter of Atlantic Mutual. H. C. Thorn, North America, is first vice-president; J. Whitney Baker, second vice-president, and H. E. Manee, treasurer. New directors are H. T. Chester, J. Mather, Mr. Winter and G. W. McIndoe.

Hartford Steam Boiler Action

(CONTINUED FROM PAGE 17)

The percentages for malicious mischief cover have been made the same for both boiler and machinery. In the past the percentage for boiler for direct damage was 2 percent and for machinery five. It is now five for both. In the past the percentage for U. & O. on boilers was 10 and for machinery 25. It is now 10 for both.

The percentages for expediting are the same for both boiler and machinery. In the past the percentage for boiler was five and for machinery 10. It is now five for both.

The charges for personal injury coverage are reduced and a flat personal injury charge per object is provided for each class of equipment and this does not vary with the size of the object.

Rates for miscellaneous electrical apparatus have been changed. There is no longer any rate advantage in the combination of all miscellaneous electrical equipment at one location where the combined limits and basis of coinsurance are the same. This will avoid grouping of unrelated equipment. However, where several pieces of equipment are each insured on an 80 percent basis there may still be a rate advantage to

the assured if all pieces are combined as one object on a lower coinsurance percentage basis.

The controlling interest definition has been broadened to include as a controlling interest banks and trust companies acting in a fiduciary capacity for a group of unrelated risks.

The special portable objects charge table sets forth the charges to be made for portable objects in lieu of the full insurance charge contemplated under the old manual.

Treatment of Schools

All of the schools of a city or town may be figured with one insurance charge for all school boilers. This does not apply to counties, school districts or other political subdivisions. Other objects of a city or town such as those in fire houses and water works may be insured under the same policy with the school boilers but separate insurance charges must be made for such additional objects the same as if school boilers were not included in the same policy.

Most of the restrictions in the old manual pertaining to group coverage have been eliminated. In the past boilers could not be grouped and there were certain limitations as to motors.

A reduction of 10 percent, before the premium zone discount is applied, is allowed for objects where there are 10 or more objects of one division at a single location.

Previously in order to get group coverage an assured had to have 10 objects at one location. Now he can get group coverage where there are fewer than 10 objects at one location but there is no rate discount unless there are at least 10 objects.

Hartford Steam Boiler has reduced the number of its schedules from 22 to 16.

President C. C. Gardiner states that Hartford Steam Boiler regretted the necessity of withdrawing from the National Bureau and did so not only with "a most cordial feeling toward our associates but with respect for the sincerity underlying their views as to the course the bureau should take."

Hartford Steam Boiler felt obliged to differ with the other bureau members on certain points. "These matters were regarded by us as so fundamental and vital a nature that we felt we must withdraw from the bureau if we were to be able to continue serving the needs of boiler and power machinery users in the manner expected of a company having as its sole interest a special line in which engineering and inspection considerably outweigh the insurance features."

RATING PROBLEM IN N. Y.

NEW YORK—Hartford Steam Boiler's issuance of a new manual based on rates which have been filed here but

not approved brings up a problem for the rating bureau of the New York department. The New York insurance law's requirement of "reasonable and adequate" rates has been interpreted as meaning uniform rates for all carriers. This was a simple matter when all companies writing boiler and machinery insurance belonged to the National Bureau's steam boiler division.

With Hartford Steam Boiler out of the bureau it will mean that rates here would not be uniform for the Hartford and the National Bureau companies. One difficulty with trying to bring about uniform rates for New York state for Hartford and bureau is that Hartford is committed to graduating expenses by size of risk but not graduating commissions, whereas the bureau plan calls for graduation of commissions as well as other expenses.

A possible solution might be to permit two scales of rates, which differed in their acquisition cost factors but were based on the same experience data.

Hobbs, Pepper Bills Reappear

The Pepper bill to provide benefits for war caused deaths and injuries of civilians has been reintroduced in Congress but it is not actively being pressed. The familiar Hobbs' bill denying the mails to unlicensed insurers has also again made its appearance. Congressman Hobbs is very sincere in sponsoring this legislation and has introduced his bill in several sessions.

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Particularly great are the demands on insurance men. With thousands of their co-workers in the armed services, they are entrusted with the tremendous task of protecting America's war-swollen industrial capacity. Busy manufacturers must be supplied with accurate information on complex insurance problems . . . safety engineering must be intensified. To these demands there can be but one answer . . . *work!*

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THE BIG GAME IS IN THE WAR BOWL!

THE WAR BOWL GAME started for us on December 7th, 1941, when Japan made the opening kick-off at Pearl Harbor. Our Team, caught off guard, was thrown for a terrific loss on the one yard line on a hard tackle by Tojo, the Jap quarterback. A number of our star players (war ships and planes) were injured, some seriously, on this first play and were taken from the game. What our team lacked in experience was partially offset by their determination to win. Besides, our opponents' strength and plays had been studied by our scouts in their games with China.

We have had a hard time getting beyond our twenty yard line but the stout defense put up by our line at Wake, Midway and Bataan has kept the score down. We did manage to pull a surprise when halfback Doolittle tossed a long forward pass to our Bomber End who ran the ball to the Jap goal line where he dropped the ball. The Japs again took the ball and lost it on DOWNS (their fleet) in mid-field (Solomons). It was at this point our Fleet halfback (San Francisco) charged thru the center of the Jap line in a surprise play, knocked would-be tacklers down, and was finally stopped after picking up considerable yardage.

In the meantime, the President of our school called upon the Alumni (you and me) to lend a little more support to the team. He explained that money was needed to replace a number of players (ships—tanks—planes) who had graduated or who had been injured. The Alumni is responding thru purchases of war bonds and stamps but since the opponents are stealing men from other schools (part of the French fleet—also men and women from conquered countries to work in factories) we must put everything we have behind our team to win.

Our second team got off to a fine start in Africa. It seems that the aerial attack of the Nazi team has been clicking but you can bet that our quarterback will soon solve this and perhaps pull the old Statue of Liberty play or one of our hidden ball tricks on them.

On the home front—as in football—we cannot afford to become over-confident. You know what happened to Boston college this year? Another thing we must remember—in football there are time out periods—but in this game of war, we, on the home front, cannot take any time out—we must keep going. There are no substitutes to take our place in industry when we are ill or meet with an accident. So, this means that each and every one of us will have to be a Sixty Minute Man and play until the game is over. Let's give our team 100% support so that they may gain permanent possession of the cup of "Liberty and Justice for all men".



FREDERICK W. FISCHER, Pittsburgh, Pa.

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National-Ben Franklin Fire Insurance Company Organized 1866	The Metropolitan Casualty Insurance Co. of N.Y. Organized 1874		
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